

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM726209

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	RELEASE OF SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Subortis Investments II, LLC		04/19/2017	Limited Liability Company: DELAWARE
RECEIVING PARTY DATA			
Name:	EMS ACQUISITION (2016), LLC		
Street Address:	300 S RIVERSIDE PLAZA STE 800		
City:	CHICAGO		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	Limited Liability Company: DELAWARE		
Name:	BOB'S ACQUISITION, LLC		
Street Address:	300 S RIVERSIDE PLAZA STE 800		
City:	CHICAGO		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	Limited Liability Company: DELAWARE		
Name:	SUBORTIS RETAIL FINANCING, LLC		
Street Address:	300 S RIVERSIDE PLAZA STE 800		
City:	CHICAGO		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	Limited Liability Company: DELAWARE		
Name:	EASTERN OUTFITTERS, LLC		
Street Address:	300 S RIVERSIDE PLAZA STE 800		
City:	CHICAGO		
State/Country:	ILLINOIS		
Postal Code:	60606		
Entity Type:	Limited Liability Company: DELAWARE		
Name:	SUBORTIS IP HOLDINGS, LLC		
Street Address:	300 S RIVERSIDE PLAZA STE 800		
City:	CHICAGO		

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State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	Limited Liability Company: DELAWARE
Name:	BOB'S / EMS GIFT CARD, LLC
Street Address:	300 S RIVERSIDE PLAZA STE 800
City:	CHICAGO
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	Limited Liability Company: DELAWARE

PROPERTY NUMBERS Total: 26

Property Type	Number	Word Mark
Registration Number:	2851708	BCC
Registration Number:	1874733	BCC BLUES
Registration Number:	2802622	BCC KHAKIS
Registration Number:	3021017	BEST OF BOB'S
Registration Number:	3319907	BOB'S STORES
Registration Number:	1531396	BOB'S STORES
Registration Number:	2952448	
Registration Number:	3385979	DIVISION 55
Registration Number:	1398955	EASTERN MOUNTAIN SPORTS
Registration Number:	1996475	EASTERN MOUNTAIN SPORTS
Registration Number:	5115822	EASTERN MOUNTAIN SPORTS
Registration Number:	3011752	EASTERN MOUNTAIN SPORTS
Registration Number:	4736821	EASTERN MOUNTAIN SPORTS
Registration Number:	4987535	EASTERN MOUNTAIN SPORTS
Registration Number:	2065313	EMS
Registration Number:	2117180	EMS
Registration Number:	1010768	EMS
Registration Number:	2952447	EMS
Registration Number:	5115823	EMS
Registration Number:	5115826	EMS EASTERN MOUNTAIN SPORTS
Registration Number:	3805982	RUGGED TRAILS
Registration Number:	1869466	SPORT CHALET
Registration Number:	1869465	SPORT CHALET
Registration Number:	2153318	SPORTLAND
Registration Number:	2832531	TECHWICK
Registration Number:	4711960	TECHWICK

CORRESPONDENCE DATA**Fax Number:**

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 4122974659
Email: angela.heukeshoven@dentons.com
Correspondent Name: Mark Mazza - Dentons Cohen & Grigsby
Address Line 1: 625 Liberty Avenue
Address Line 4: Pittsburgh, PENNSYLVANIA 15222-3152

ATTORNEY DOCKET NUMBER:	034605.0002
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NAME OF SUBMITTER:	Mark A. Mazza
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SIGNATURE:	/Mark A. Mazza/
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DATE SIGNED:	05/06/2022
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Total Attachments: 131

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

Eastern Outfitters, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 17-10243 (LSS)

(Jointly Administered)

Related to Docket Nos. 63, 76, 77, 245, 261, 272, 273, 296, 306, 333, 334, 337, 338, 339, 340, 341, 342, 345, 353, 356, 357, 359, 360, 361, 367, 368, 371, 372, 373, 374, 375, 376, 377, 378, 379, 381, 383, 384, 385, 386, 388, 389, 391, 397, 411, 412, 420, 421, 426 and 427 and 433

ORDER (I) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF CLAIMS, LIENS, RIGHTS, INTERESTS, AND ENCUMBRANCES, (II) APPROVING THE ASSET PURCHASE AGREEMENT AND (III) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Upon the Debtors' Motion for Orders (A)(I) Authorizing and Approving Bidding Procedures, Break-Fee and Expense Reimbursement; (II) Authorizing and Approving the Debtors' Entry into the Stalking Horse APA; (III) Approving Notice Procedures; (IV) Scheduling a Sale Hearing; and (V) Approving Procedures for Assumption and Assignment of Executory Contracts and Unexpired Leases and Determining Cure Amounts and (B)(I) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of All Claims, Liens, Rights, Interests, and Encumbrances; (II) Approving the Stalking Horse APA; and (III) Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases [Docket No. 76] (the "Motion") for the entry of an order (this "Order"), pursuant to sections 105(a), 363 and 365 of

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers, where applicable, are as follows: Eastern Outfitters, LLC (9164); Subortis Retail Financing, LLC (9065); Eastern Mountain Sports, LLC (9553); Subortis IP Holdings, LLC; Bob's Stores, LLC (4389); and Bob's/EMS Gift Card, LLC (9618). The Debtors' executive headquarters are located at 160 Corporate Court, Meriden, CT 06450.

the Bankruptcy Code, and Bankruptcy Rules 1005, 2002, 6004, 6006, 9007, 9014 and 9019 (i) approving the Asset Purchase Agreement by and between the Debtors and Sportsdirect.com Retail Ltd. (together with its permitted designees, successors and permitted assigns, “Buyer”) dated as of February 8, 2017, as amended by that certain First Amendment to Asset Purchase Agreement dated as of March 27, 2017 and that certain Second Amendment to Asset Purchase Agreement dated as of April 17, 2017 (as further amended, amended and restated, modified or supplemented from time to time, and substantially in the form attached hereto as Exhibit 1, the “Asset Purchase Agreement”),² whereby the Debtors have agreed to sell, and Buyer has agreed to acquire, substantially all of the Debtors’ assets (collectively, and as specifically set forth and defined in the Asset Purchase Agreement, the “Acquired Assets”) other than the Excluded Assets, and the Debtors have agreed to transfer and Buyer has agreed to assume certain of the Debtors’ liabilities (collectively, and as specifically set forth and defined in the Asset Purchase Agreement, the “Assumed Liabilities”) (collectively, and including all actions taken or required to be taken in connection with the implementation and consummation of the Asset Purchase Agreement, the “Transaction”); (ii) authorizing and approving the sale of the Acquired Assets (the “Sale”), free and clear, to the maximum extent permitted under section 363(f) of the Bankruptcy Code, of any and all Liens (other than Permitted Liens), including any Liens arising out of bulk transfer law, debts and claims (as that term is defined in section 101(5) of the Bankruptcy Code), Liabilities, obligations, costs, expenses, causes of action, avoidance actions, demands, guaranties, options, rights, contractual commitments, settlements, injunctions, restrictions, interests, encumbrances, reclamation rights, and similar matters of any kind whatsoever, whether known or unknown, fixed or contingent, or arising prior to or subsequent to the commencement of these chapter 11

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Asset Purchase Agreement or Sale Process Order.

cases (the “Cases”), and whether imposed by agreement, understanding, law, equity or otherwise (each of the foregoing collectively or individually, and including to the extent not already specified above, Successor or Transferee Liability (as defined herein), but excluding the Assumed Liabilities and Permitted Liens, the “Adverse Interests”), with all such Adverse Interests to attach to the net proceeds of the Sale, in the order of their priority, with the same validity, force and effect that they now have against the Acquired Assets, subject with respect to such net proceeds to any rights, claims and defenses the Debtors or any parties in interest may possess with respect thereto; (iii) authorizing the assumption and assignment to Buyer of certain executory contracts and unexpired leases of the Debtors in accordance with the Asset Purchase Agreement, the *Order (I) Approving Notice Procedures for the Sale of Substantially All of the Debtors’ Assets, (II) Scheduling a Sale Hearing and (III) Approving Procedures for (A) Assumption and Assignment of Executory Contracts and Unexpired Leases and Determining Cure Amounts and (B) Rejection of Executory Contracts and Unexpired Leases* [Docket No. 261] (the “Sale Process Order”) and this Order; (iv) establishing assumption and rejection procedures for certain executory contracts and unexpired leases; and (v) granting other relief; and the Court having entered the Sale Process Order; and the Debtors having determined, in consultation with the official committee of unsecured creditors (the “Committee”), that the Asset Purchase Agreement constitutes the highest and otherwise best offer for the Acquired Assets; and the Court having overruled the objections filed to the Motion; and the Court having conducted a hearing on the Motion on April 19, 2017 at 9:00 a.m. (prevailing Eastern Time) (the “Sale Hearing”), at which time all interested parties were offered an opportunity to be heard with respect to the Motion; and the Court having reviewed and considered the Motion, declarations and other evidence filed in support thereof, including without limitation the *Notice of Filing of*

Debtors' Omnibus Reply to Objections to the Sale Motion and Cure Notice [Docket No. 411], the *Joinder of Sportsdirect.com Retail Ltd. to the Debtors' Omnibus Reply to Cure Notice to Sale Objection* [Docket. No. 412], the Asset Purchase Agreement, the Sale Process Order, and the record of the hearing before the Court on April 19, 2017; and having heard statements of counsel and the evidence presented in support of the relief requested in the Motion at the Sale Hearing; and it appearing that due notice of the Motion, the Asset Purchase Agreement, and the Sale Process Order was provided; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their stakeholders and all other parties in interest; and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation thereon,

THE COURT HEREBY FINDS AS FOLLOWS:³

Jurisdiction, Venue and Final Order

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. § 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rules 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact where appropriate. *See* Fed. R. Bankr. P. 7052.

Notice of the Transaction, Asset Purchase Agreement and Cure Amounts

C. Actual written notice of the Sale Hearing, the Motion and the Sale, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein, has been afforded to all known interested entities including to the following parties: (i) the office of the United States Trustee for the District of Delaware; (ii) counsel to the Committee; (iii) counsel to Buyer; (iv) all parties which, to the best of the Debtors' knowledge, information, and belief, have asserted a lien or security interest against any of the Acquired Assets; (v) all of the Debtors' landlords and subtenants and parties that may have guaranteed any of the Debtors' leases; (vi) all applicable federal, state, and local taxing and regulatory authorities which have a reasonably known interest in the relief requested in the Motion, including the Internal Revenue Service; and (vii) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

D. The Debtors published notice of the time and place of the Sale Hearing and the time for filing an objection to the relief requested in the Motion in the United States edition of *USA Today* on April 5, 2017.

E. The foregoing notice was good, sufficient and appropriate under the circumstances, and no other or further notice of the Motion, the Sale Hearing, the Asset Purchase Agreement, or the Transaction is required. The disclosures made by the Debtors concerning the Asset Purchase Agreement, the Transaction and the Sale Hearing were good, complete and adequate.

F. The Debtors have served a cure notice (the "Cure Notice") upon all executory contract and lease counterparties notifying such parties: (i) that its respective executory contract or lease may be designated by Buyer as either assumed or rejected, (ii) the timing and procedures relating to such designation, (iii) the Debtors' good faith estimate of the Cure Amount, (iv) the

identity of Buyer, and (v) the deadline by which any such counterparty may file an objection to the proposed assumption and assignment and/or cure amount and the procedures relating thereto. The service of such notice was good, sufficient and appropriate under the circumstances and no further notice need be given in respect of establishing a cure amount for such executory contracts and leases. Each of the contract and lease counterparties has had an opportunity to object to the Cure Amounts set forth in the Cure Notice.

G. The Debtors have served evidence of adequate assurance of future performance on those contract and lease counterparties that have requested it, and under the leases of non-residential real property, pursuant to the Sale Process Order. The service of such adequate assurance was good, sufficient and appropriate under the circumstances and no further service is necessary in respect of establishing adequate assurance for such contracts and leases. Each of the contract and lease counterparties has had an opportunity to object to the adequate assurance provided.

H. The Debtors have served the initial assumption notice (the “Initial Assumption Notice”) with respect to executory contracts and leases that Buyer designated for assumption and assignment to Buyer at Closing (the “Sale Hearing Designated Contracts”) or for rejection by the Debtors (the “Sale Hearing Rejected Contracts”). The service of the Initial Assumption Notice was good, sufficient and appropriate under the circumstances and no further notice need be given in respect of the Sale Hearing Designated Contracts and/or the Sale Hearing Rejected Contracts. Each of the non-Debtor counterparties has had an opportunity to object to the Initial Assumption Notice. The Debtors filed a supplement to the Initial Assumption Notice at Buyer’s direction on April 19, 2017.

Highest and Best Offer

I. As demonstrated by the evidence proffered or adduced at the Sale Hearing and the representations of counsel made on the record at the Sale Hearing, the Acquired Assets were adequately marketed by the Debtors, the consideration provided by Buyer under the Asset Purchase Agreement constitutes or provides the highest or otherwise best offer and provides fair and reasonable consideration to the Debtors for the sale of all Acquired Assets and the assumption of all Assumed Liabilities, and the performance of the other covenants set forth in the Asset Purchase Agreement and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. The Debtors' determination that the Asset Purchase Agreement constitutes the highest and best offer for the Acquired Assets is a valid and sound exercise of the Debtors' business judgment.

J. Approval of the Motion and the Asset Purchase Agreement and consummation of the Transaction is in the best interests of the Debtors, their respective creditors, estates and other parties in interest and there is substantial risk of deterioration of the value of the Acquired Assets if the Sale is not consummated quickly. The Debtors have demonstrated good, sufficient and sound business reasons and justifications for entering into the Transaction and the performance of their obligations under the Asset Purchase Agreement.

K. Consummation of the Transaction outside a plan of reorganization pursuant to the Asset Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a chapter 11 plan for the Debtors.

L. Entry of an order approving the Asset Purchase Agreement and all the provisions thereof is a necessary condition precedent to Buyer's consummation of the Transaction.

Good Faith of Buyer

M. The Asset Purchase Agreement and the Transaction contemplated thereunder were proposed, negotiated and entered into by and between the Debtors, on the one hand, and Buyer, on the other hand, without collusion or fraud of any kind, in good faith and at arms' length.

N. In accordance with section 365 of the Bankruptcy Code, including sections 365(b)(1) and 365(f)(2) of Bankruptcy Code, Buyer has demonstrated the wherewithal, financial and otherwise, to perform all of its obligations under the Asset Purchase Agreement.

O. Buyer is and was entitled to credit bid the DIP Financing Obligations and the Second Lien Financing Obligations held by Buyer pursuant to section 363(k) of the Bankruptcy Code in connection with Buyer's acquisition of the Acquired Assets as contemplated by the Asset Purchase Agreement. Provided the Closing occurs, immediately upon the Closing: (i) the Second Lien Financing Obligations shall constitute allowed, legal, valid, binding, enforceable and nonavoidable obligations of the Debtors that are not subject to any offset, defense, counterclaim, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or any other applicable law; (ii) any right of any party to commence or file any action, claim, defense complaint, motion or other written opposition that seeks to object to, challenge, contest or otherwise invalidate or reduce, whether by setoff, recoupment, counterclaim, deduction, disgorgement or claim of any kind, (a) the existence, validity or amount of the Second Lien Financing Obligations, or (b) the extent, legality, validity, perfection or enforceability of Buyer's or its Affiliates' or any other lender's or its Affiliates' pre-petition liens and security interests in the collateral securing the Second Lien Financing Obligations shall automatically terminate; and (iii) the Debtors, their estates, and all other parties in interest, including the Committee, shall be forever barred from bringing any claim, counterclaim, setoff or defense of any kind, nature or

description which would in any way affect the validity, enforceability and non-avoidability of any of the Second Lien Financing Obligations or the liens and security interests securing the same. Notwithstanding the foregoing, Buyer has agreed at Closing to waive a recovery under any chapter 11 plan on account of any Second Lien Financing Obligations remaining after the Closing of the Transaction and the credit bid contemplated by the Asset Purchase Agreement.

No Fraudulent Transfer

P. The consideration provided by Buyer pursuant to the Asset Purchase Agreement for its purchase of the Acquired Assets and the assumption of the Assumed Liabilities and the performance of the covenants contained in the Asset Purchase Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, the Uniform Voidable Transactions Act, and under the laws of the United States, any state, territory, possession or the District of Columbia.

Q. There has been no showing that any of the Debtors or Buyer (i) has entered into the Asset Purchase Agreement or proposes to consummate the Transaction for the purpose of hindering, delaying or defrauding the Debtors' present or future creditors or (ii) is entering into the Asset Purchase Agreement or proposing to consummate the Transaction fraudulently, for the purpose of statutory or common law fraudulent conveyance and fraudulent transfer claims, whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof or the District of Columbia or any other applicable jurisdiction with laws substantially similar to the foregoing.

R. By virtue of the consummation of the Transaction as contemplated by the Asset Purchase Agreement, (i) Buyer is not a continuation of the Debtors or their respective estates, there is no continuity between Buyer and the Debtors, there is not substantial continuity between

Buyer and the Debtors, there is no common identity between the Debtors and Buyer, there is no continuity of enterprise between the Debtors and Buyer, Buyer is not a mere continuation of the Debtors or their estates, and Buyer does not constitute a successor to the Debtors or their estates, (ii) Buyer is not holding itself out to the public as a continuation of the Debtors or their respective estates and (iii) the Transaction does not amount to a consolidation, merger or *de facto* merger of Buyer and the Debtors and/or the Debtors' estates.

Validity of Transfer

S. The Debtors and Buyer (i) have full corporate power and authority to execute and deliver the Asset Purchase Agreement and all other documents contemplated thereby, as applicable, (ii) have all of the power and authority necessary to consummate the Transaction and (iii) have taken all action necessary to authorize and approve the Asset Purchase Agreement and to consummate the Transaction, and no further consents or approvals are required for the Debtors or Buyer to consummate the Transaction contemplated by the Asset Purchase Agreement, except as otherwise set forth therein.

T. Other than the Assumed Liabilities, Buyer shall have no obligations with respect to any Liabilities of the Debtors or any Adverse Interests against any of the Debtors or their property, including, without limitation, the Excluded Liabilities, and Buyer and its successors and assigns are released from any and all claims, causes of action, obligations, liabilities, demands, damages, losses, costs and expenses of any kind, character or nature whatsoever, known or unknown, fixed or contingent, relating to the Acquired Assets, except for liabilities and obligations arising expressly under, or expressly assumed by Buyer under, the Asset Purchase Agreement.

U. The consummation of the Sale and Transaction is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including sections 105(a),

363(b), 363(f), 363(m), 363(n), 365(b)(1) and 365(f)(2) of the Bankruptcy Code, and with respect to all Assumed Contracts, all of the applicable requirements of such sections have been or will be complied with in respect to the Transaction as of the effective date of the assignment.

V. The Acquired Assets constitute property of the Debtors' estates and title thereto is presently vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. The sale of the Acquired Assets to Buyer will be, as of the Closing Date, a legal, valid and effective transfer of such assets, and each such transfer and assignment vests or will vest Buyer with all right, title and interest of the Debtors to the Acquired Assets free and clear, to the maximum extent permitted by law, of all Adverse Interests.

Section 363 Is Satisfied

W. Entry into the Asset Purchase Agreement and consummation of the Transaction contemplated thereby constitute the exercise of the Debtors' sound business judgment consistent with their fiduciary duties and such acts are in the best interests of the Debtors, their respective creditors, their estates and other parties in interest. The Debtors have demonstrated both (i) good, sufficient and sound business reasons and justifications and (ii) compelling circumstances for the sale of the Acquired Assets to Buyer pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization. Such business reasons include, but are not limited to, the facts that (i) there is substantial risk of deterioration of the value of the Acquired Assets if the Transaction is not consummated quickly; (ii) the Asset Purchase Agreement constitutes the highest and best offer for the Acquired Assets; (iii) the Asset Purchase Agreement and consummation of the Transaction contemplated thereby present the best opportunity to realize the value of the Acquired Assets and avoid decline and devaluation of the Acquired Assets; and (iv) unless the sale of the Acquired Assets is consummated expeditiously and pursuant to the Asset Purchase Agreement, creditors' recoveries may be diminished.

X. The Debtors may sell and assign the Acquired Assets free and clear, to the maximum extent permitted by law, of all Adverse Interests, and the Transaction will not subject Buyer or any of Buyer's assets to any liability for any Adverse Interests whatsoever (including, without limitation, under any theory of equitable law, antitrust, or successor or transferee liability), because, with respect to each creditor asserting an Adverse Interest, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Adverse Interests who did not object or who withdrew their objections to the Sale, the Transaction, the Cure Notice or the Initial Assumption Notice are deemed to have consented to the Sale pursuant to section 363(f)(2) of the Bankruptcy Code. All holders of Adverse Interests are adequately protected — thus satisfying section 363(e) of the Bankruptcy Code — by having their Adverse Interests, if any, attach to the proceeds of the Sale, in the same order of priority and with the same validity, force and effect that such Adverse Interest holder had before the Sale, subject to any rights, claims and defenses of the Debtors or their estates, as applicable, or as otherwise provided herein.

Y. Buyer would not have entered into the Asset Purchase Agreement and would not consummate the Sale, thus adversely affecting the Debtors, their estates, creditors, employees and other parties in interest, if the Sale was not free and clear, to the maximum extent permitted by law, of all Adverse Interests or if Buyer would be liable for any Adverse Interests, including and as applicable, any Excluded Liabilities.

Z. The Sale to Buyer will be, as of the Closing Date and such later date as the Acquired Assets are transferred under the Asset Purchase Agreement, a legal, valid and effective transfer of such assets, and each such transfer and assignment vests or will vest Buyer with all right, title and interest of the Debtors to the Acquired Assets free and clear, to the maximum

extent permitted by law, of all Adverse Interests. A sale of the Acquired Assets other than one free and clear, to the maximum extent permitted by law, of all Adverse Interests would adversely impact the Debtors' estates, and would yield substantially less value for the Debtors' estates, with less certainty than the Sale. Therefore, the Sale contemplated by the Asset Purchase Agreement is in the best interests of the Debtors, their estates, creditors and all other parties in interest.

Assumption and Assignment of Executory Contracts and Leases

AA. The assumption and assignment of the Executory Contracts and Leases pursuant to the terms of the Sale Process Order, this Order and the Asset Purchase Agreement are integral to the Asset Purchase Agreement, are in the best interests of the Debtors and their respective estates, creditors and other parties in interest, and represent the reasonable exercise of sound and prudent business judgment by the Debtors.

BB. The Debtors have met or will meet all requirements of section 365(b) of the Bankruptcy Code for each of the Executory Contracts and Leases that pursuant to the Assumption Procedures (as defined in the Sale Process Order) are Sale Hearing Designated Contracts or become Assumed Contracts pursuant to a Supplemental Assumption Notice. Subject to paragraph 56 hereof, the Debtors and/or Buyer, as applicable under the Asset Purchase Agreement, have (i) cured and/or provided adequate assurance of cure of any default existing prior to the date of the Closing under all of the Assumed Contract, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code and (ii) provided compensation or adequate assurance of compensation to any counterparty for actual pecuniary loss to such party resulting from a default existing prior to the date of the Closing under any of the Assumed Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code. The assumption and assignment to Buyer of

each of the Assumed Contracts shall be free and clear, to the maximum extent permitted by law, of all Adverse Interests against Buyer.

CC. Subject to paragraph 56 hereof, Buyer has provided adequate assurance of its future performance under the relevant Assumed Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. Pursuant to section 365(f) of the Bankruptcy Code, the Executory Contracts and Leases to be assumed and assigned under the Asset Purchase Agreement shall be assigned and transferred to, and remain in full force and effect for the benefit of, Buyer, notwithstanding any provision in the contracts or other restrictions prohibiting their assignment or transfer.

DD. No default exists in the Debtors' performance under the Assumed Contracts as of the date of the Closing other than the failure to pay Cure Amounts or defaults that are not required to be cured as contemplated in section 365(b)(1)(A) of the Bankruptcy Code.

Compelling Circumstances for an Immediate Sale

EE. Time is of the essence. To maximize the value of the Debtors' assets, the Debtors and Buyer intend to close the Transaction as soon as practicable. Accordingly, there is cause to waive the stays contemplated by Bankruptcy Rules 4001, 6004, and 6006.

FF. The Transaction is in the best interests of the Debtors, their estates, creditors, interest holders and all other parties in interest in the Cases.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

General Provisions

1. The Motion is GRANTED and approved, subject to the terms and conditions set forth herein. The Sale and the Transaction contemplated by the Asset Purchase Agreement are approved.

2. All objections to the Motion or the relief requested therein that have not been adjourned, withdrawn, waived or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court or as resolved in this Order, and all reservations of rights included therein, are hereby overruled on the merits with prejudice. All persons and entities notified or deemed notified of the relief sought in the Motion that failed to timely object thereto are deemed to consent to the relief sought therein, including all non-Debtor parties to the Executory Contracts and Leases.

3. Findings of fact and conclusions of law in the Sale Process Order, including the record of the Sale Process Order hearing held on March 22, 2017, March 28, 2017 and March 30, 2017 are incorporated herein by reference.

4. Where appropriate herein, findings of fact shall be deemed conclusions of law and conclusions of law shall be deemed findings of fact.

Approval of the Asset Purchase Agreement

5. The Asset Purchase Agreement is approved. The failure specifically to include any particular provision of the Asset Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Asset Purchase Agreement be authorized and approved in its entirety, with such amendments thereto as may be made by the parties in accordance with this Order.

6. The Debtors are authorized to (a) take any and all actions necessary or appropriate to perform, consummate, implement and fully close the Transaction, in accordance with the terms and conditions set forth in the Asset Purchase Agreement and this Order and (b) to assume and assign any and all Executory Contracts and Leases as and when provided in the Asset Purchase Agreement and in accordance with the Sale Process Order and this Order.

7. All persons and entities are prohibited and enjoined from taking any action that would adversely affect or interfere with, or which would be inconsistent with, the ability of the Debtors to transfer the Acquired Assets to Buyer in accordance with the Asset Purchase Agreement and this Order.

8. At the Closing, the Debtors will be authorized to fully perform under, consummate and implement the terms of the Asset Purchase Agreement together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of the Asset Purchase Agreement, this Order and the Transaction.

9. Nothing contained in any chapter 11 plan confirmed in these Cases or the order confirming any such chapter 11 plan shall conflict with or derogate from the provisions of the Asset Purchase Agreement or this Order, and to the extent of any conflict or derogation between this Order or the Asset Purchase Agreement and such future plan or order, the terms of this Order and the Asset Purchase Agreement shall control.

10. Each and every federal, state and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the Transaction, including all agreements entered into in connection therewith, and this Order.

11. To the greatest extent available under applicable law, Buyer shall be authorized, as of the Closing Date, to operate under any license, permit, registration and any other governmental authorization or approval of the Debtors with respect to the Acquired Assets and the Assumed Contracts, and all such licenses, permits, registrations and governmental

authorizations and approvals are deemed to have been, and hereby are transferred to Buyer as of the Closing Date.

12. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Acquired Assets sold, transferred or conveyed to Buyer on account of the filing or pendency of the Cases.

Sale and Transfer Free and Clear of Adverse Interests

13. Upon Closing, all of the Debtors' right, title and interest in and to, and possession of, the Acquired Assets shall be immediately vested in Buyer pursuant to sections 105(a), 363(b), 363(f) and 365 of the Bankruptcy Code free and clear, to the maximum extent permitted by law, of any and all Adverse Interests, with all such Adverse Interests to attach to the net proceeds of the Sale, in the order of their priority, with the same validity, force and effect that they now have against the Acquired Assets, subject with respect to such net proceeds to any rights, claims and defenses the Debtors or any parties in interest may possess with respect thereto. Such transfer shall constitute a legal, valid, binding and effective transfer of such Acquired Assets. All persons or entities, presently or on or after the Closing, in possession of some or all of the Acquired Assets shall surrender possession of the Acquired Assets to Buyer or its respective designees.

14. This Order (a) shall be effective as a determination that, as of the Closing no Adverse Interests other than Assumed Liabilities will be assertable against Buyer or any of its respective assets (including the Acquired Assets), (b) shall be effective as a determination that, as of the Closing (i) the Acquired Assets shall have been transferred to Buyer free and clear, to the maximum extent permitted by law, of all Adverse Interests and (ii) the conveyances described herein have been effected, and (c) is and shall be binding upon entities, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property,

administrative agencies, governmental departments, secretaries of state, federal and local officials and all other persons and entities who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities shall accept for filing any and all of the documents and instruments necessary and appropriate to consummate the Transaction.

15. Other than the Assumed Liabilities, Buyer shall have no obligations with respect to any Adverse Interests of the Debtors, including the Excluded Liabilities, and Buyer and its affiliates, successors, and assigns are released from any and all Adverse Interests arising under or out of, in connection with, or in any way relating to, the Debtors, the Acquired Assets, the ownership, sale or operation of the Acquired Assets and the business of the Debtors prior to the Closing or the transfer of Acquired Assets to Buyer, except for the Assumed Liabilities under the Asset Purchase Agreement. The holders of claims related to the Assumed Liabilities shall have the right to seek payment directly from Buyer on account of the Assumed Liabilities; *provided, however,* that Buyer reserves any and all rights, defenses or objections with regard to such Assumed Liabilities, including, but not limited to, Buyer's rights under the Asset Purchase Agreement.

16. Other than in the Ordinary Course of Business, the Debtors shall not consent or agree to the allowance of any claim to the extent it would constitute an Assumed Liability, in each case without the prior written consent of Buyer. Buyer shall have standing in the Cases to object to the validity, amount, or priority of any claim against the Debtors to the extent it would otherwise constitute an Assumed Liability, and the Court will retain the right to hear and determine such objections.

17. Except with respect to the Assumed Liabilities, all persons and entities (and their respective successors and assigns), including all debt security holders, equity security holders, affiliates, governmental, tax and regulatory authorities, lenders, customers, vendors, employees, trade creditors, litigation claimants and other creditors (collectively, "Barred Parties") holding Adverse Interests arising under or out of, in connection with, or in any way relating to, the Debtors, the Acquired Assets, the ownership, sale or operation of the Acquired Assets and the business prior to the Closing or the transfer of Acquired Assets to Buyer, are hereby forever barred, estopped and permanently enjoined from asserting such Adverse Interests against Buyer, its property or the Acquired Assets. Following the Closing, no holder of any Adverse Interest shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets based on or related to any such Adverse Interest, or based on any action the Debtors may take in the Cases.

18. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing Adverse Interests against or in the Acquired Assets shall not have delivered to the Debtors prior to the Closing of the Transaction in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction or releases of all Adverse Interests that the person or entity has with respect to such Acquired Assets, then only with regard to the Acquired Assets that are purchased by Buyer pursuant to the Asset Purchase Agreement and this Order, (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets, and (b) Buyer is hereby authorized to file, register or otherwise record a certified copy of this Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Adverse Interests against Buyer and the applicable Acquired Assets. This Order is

deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department or office. For the avoidance of doubt, only Acquired Assets that are part of the estates of the Debtors are being sold to Buyer free and clear, to the maximum extent permitted by law, of Adverse Interests pursuant to section 363(f) of the Bankruptcy Code.

No Successor or Transferee Liability

19. Buyer shall not be deemed, as a result of any action taken in connection with the Asset Purchase Agreement, the consummation of the Transaction, the transfer, operation or use of the Acquired Assets or the employment of the Transferred Employees to (a) be a legal successor, or otherwise be deemed a successor to the Debtors (other than, for Buyer, with respect to any obligations arising after the Closing as an assignee under Assumed Contracts); (b) have, *de facto* or otherwise, merged with or into the Debtors; or (c) be an alter ego or a mere continuation or substantial continuation or successor in any respect of the Debtors, including within the meaning of any foreign, federal, state or local revenue, pension, ERISA, tax, labor, employment, environmental or other law, rule or regulation (including filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine.

20. Except as expressly provided in the Asset Purchase Agreement with respect to Assumed Liabilities, Buyer shall have no liability whatsoever with respect to the Debtors' (or their predecessors or affiliates) respective businesses or operations or any of the Debtors' (or their predecessors' or affiliates') obligations (as described below, "Successor or Transferee Liability") based, in whole or part, directly or indirectly, on any theory of successor or vicarious liability of any kind or character, or based upon any theory of labor law, employment law,

ERISA and benefits law, antitrust, environmental, successor or transferee liability, *de facto* merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including any liabilities or non-monetary obligations on account of any settlement or injunction, or any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Acquired Assets or the Business prior to the Closing or such later time as Buyer is assigned and assumes any Assumed Contract. Except to the extent expressly included in the Assumed Liabilities or otherwise provided for in the Asset Purchase Agreement with respect to WARN liabilities, Buyer shall have no liability or obligation under the WARN Act (29 U.S.C. §§ 2101 et seq.) or the Comprehensive Environmental Response Compensation and Liability Act or any foreign, federal, state or local labor, employment or environmental law whether of similar import or otherwise by virtue of Buyer's purchase of the Acquired Assets or assumption of the Assumed Liabilities.

21. Except as expressly provided in the Asset Purchase Agreement with respect to the Assumed Liabilities, nothing in this Order or the Asset Purchase Agreement shall require Buyer to (a) continue or maintain in effect, or assume any liability in respect of any employee, pension, welfare, fringe benefit or any other benefit plan, trust arrangement or other agreements to which the Debtors are a party or have any responsibility therefor including medical, welfare and pension benefits payable after retirement or other termination of employment, or (b) assume any responsibility as a fiduciary plan sponsor or otherwise, for making any contribution to, or in respect of the funding, investment or administration of any employee benefit plan, arrangement or agreement (including but not limited to pension plans) or the termination of any such plan, arrangement or agreement.

22. Effective upon the Closing, all persons and entities are forever prohibited and enjoined from commencing or continuing in any matter any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding against Buyer, or its assets (including the Acquired Assets), or its successors and assigns, with respect to any (a) Adverse Interest or (b) Successor or Transferee Liability including, without limitation, the following actions with respect to clauses (a) and (b): (i) commencing or continuing any action or other proceeding pending or threatened; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any Adverse Interest; (iv) asserting any setoff, right of subrogation or recoupment of any kind; (v) commencing or continuing any action, in any manner or place, that does not comply with, or is inconsistent with, the provisions of this Order or other orders of this Court, or the agreements or actions contemplated or taken in respect hereof; or (vi) revoking, terminating or failing or refusing to renew any license, permit or authorization to operate any of the Acquired Assets or conduct any of the businesses operated with such assets.

Good Faith of Buyer

23. The Transaction contemplated by the Asset Purchase Agreement is undertaken by Buyer without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Transaction (including the assumption and assignment of the Assumed Contracts), unless such authorization and consummation of the Sale are duly and properly stayed pending such appeal.

24. There has been no showing that the Debtors or Buyer engaged in any action or inaction that would cause or permit the Transaction to be avoided or costs or damages to be

imposed under section 363(n) of the Bankruptcy Code. Buyer is entitled to all the protections and immunities of section 363(n) of the Bankruptcy Code.

25. The consideration provided by Buyer for the Acquired Assets under the Asset Purchase Agreement is fair and reasonable and the Sale may not be avoided under section 363(n) of the Bankruptcy Code.

Assumed Contracts

26. Before the Sale Hearing, in accordance with and pursuant to the Asset Purchase Agreement and the Sale Process Order, Buyer provided to the Debtors and the Debtors served an Initial Assumption Notice, substantially in the form attached to the Sale Process Order as Exhibit 3 which identified certain Executory Contracts and Leases that Buyer designated for assumption and assignment to Buyer at Closing. Buyer provided the Debtors with a supplement to the Initial Assumption Notice, which was filed on April 19, 2017. The assumption notices were good, sufficient and appropriate under the circumstances, and no further notice of the Sale Hearing Designated Contracts is required.

27. Notwithstanding anything to the contrary in the Sale Process Order, Buyer may designate Excluded Contracts for assumption and assignment by delivering written notice to the Debtors and the Debtors shall file and serve a Supplemental Assumption Notice in accordance with the Sale Process Order on or prior to five (5) Business Days prior to Closing; *provided that* Buyer shall not designate any Executory Contract or Lease for assumption if such Executory Contract or Lease would constitute an Excluded Asset under the Asset Purchase Agreement.

28. The Debtors are authorized at the Closing to assume and assign each of the Assumed Contracts in accordance with the Asset Purchase Agreement, the Sale Process Order and this Order to Buyer free and clear, to the maximum extent permitted by law, of all Adverse

Interests pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code and to execute and deliver to Buyer such documents or other instruments as may be necessary to assign and transfer the Assumed Contracts to Buyer. The payment of the applicable Cure Amounts by Buyer shall (a) effect a cure of all defaults existing thereunder as of the Closing, (b) compensate for any actual pecuniary loss to such non-Debtor counterparty resulting from such default and (c) together with the assumption of the Assumed Contracts by the Debtors and the assignment of such Assumed Contracts to Buyer, constitute adequate assurance of future performance thereof. The counterparties to the Assumed Contracts are forever bound by the applicable Cure Amounts and, upon payment of such Cure Amounts as provided for herein, are hereby enjoined from taking any action against Buyer or the Acquired Assets with respect to any claim for cure under the applicable Assumed Contracts.

29. On or prior to the Designation Deadline, Buyer shall provide a list of Executory Contracts and Leases that Buyer has decided will not be assumed and assigned but will remain in place for a period after Closing (the “Non-Continuing Contracts”) to facilitate the liquidation of the Non-Continuing Stores. Upon written notice from Buyer that a Non-Continuing Contract is no longer required, Debtors shall within two (2) Business Days of receipt thereof to file a rejection motion (in form and substance acceptable to the Buyer) seeking to reject such Non-Continuing Contract *nunc pro tunc* to the date of the motion.

30. As to the Executory Contracts between the Debtors and the counterparties listed on **Exhibit 3A** (the “Initial Deferred Contracts”), the Debtors and the counterparties have agreed that the Debtors (at the direction of the Buyer) or the Buyer shall be entitled to provide a Supplemental Assumption Notice to the counterparty to such Executory Contract no later than sixty-days after the Closing Date. In the event the Buyer determines not to assume an Initial

Deferred Contract, the Initial Deferred Contract shall thereafter be treated as a Non-Continuing Contract and shall be maintained by the Debtors until written notice from the Buyer that such Executory Contract shall be rejected. As to the Executory Contracts between the Debtors and the counterparties listed on **Exhibit 3B** (the "Additional Deferred Contracts"), the Debtors (at the direction of the Buyer) or the Buyer shall be entitled to provide a Supplemental Assumption Notice to the counterparty to such Executory Contract no later one hundred twenty-days after the Closing Date. In the event the Buyer determines not to assume an Additional Deferred Contract, the Additional Deferred Contract shall thereafter be treated as Non-Continuing Contract and shall be maintained by the Debtors until written notice from the Buyer that such Executory Contract shall be rejected. Notwithstanding the foregoing, the Debtors shall serve a copy of this Order by overnight mail no later than one (1) Business Day after entry of such Order on the parties to the Additional Deferred Contract and, in the event any of the counterparties to an Additional Deferred Contract has an objection to the relief granted in this paragraph 30, such counterparty shall file such objection no later than ten (10) days after the date such Order is served on such counterparty and the Debtors shall set such objection for hearing as soon as possible thereafter. As to the Executory Contract between the Debtors and Vision Net, the Debtors and Vision Net have agreed that the Debtors (at the direction of the Buyer) or the Buyer shall be entitled to provide a Supplemental Assumption Notice to the counterparty to such Executory Contract no later than ninety-days after the Closing Date. In all other respects for purposes of this Order, the Vision Net Executory Contract shall be deemed an Initial Deferred Contract. Buyer shall be obligated to perform or cause to be performed all of Sellers' post-petition obligations as required by applicable Law and under each Initial Deferred Contract or

Additional Deferred Contract from and after the Closing Date through the Rejection Effective Date for such Initial Deferred Contract or Additional Deferred Contract.

31. Any provisions in any Assumed Contract that prohibit or condition the assignment of such Assumed Contract or allow the counterparty to such Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension or modify any term or condition upon the assignment of such Assumed Contract, constitute unenforceable anti-assignment provisions that are void and of no force and effect with respect to the Debtors' assumption and assignment of such Assumed Contracts in accordance with the Asset Purchase Agreement but will be effective and binding upon Buyer with respect to any purported assignment for the remaining term of any Assumed Contract. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to Buyer of the Assumed Contracts have been satisfied. Upon the Closing with respect to the assumption and assignment of any Assumed Contract, in accordance with sections 363 and 365 of the Bankruptcy Code, Buyer shall be fully and irrevocably vested with all right, title and interest of the Debtors under the Assumed Contracts, and such Assumed Contracts shall remain in full force and effect for the benefit of Buyer.

32. Each non-Debtor counterparty to the Assumed Contracts shall be forever barred, estopped, and permanently enjoined from (a) asserting against the Debtors or Buyer or their respective property any assignment fee, acceleration, default, breach or claim or pecuniary loss, or condition to assignment existing, arising or accruing as of the Closing or arising by reason of the Closing or the transfer of the Acquired Assets, including any breach related to or arising out of change-in-control provisions in such Assumed Contracts, or any purported written or oral modification to the Assumed Contracts and (b) asserting against Buyer (or its property, including

the Acquired Assets) any claim, counterclaim, breach, or condition asserted or assertable against the Debtors existing as of the Closing or arising by reason of the transfer of the Acquired Assets, except for the Assumed Liabilities. In addition, without relieving Buyer of its obligations under the Asset Purchase Agreement, nothing in the Order, the Motion or the Asset Purchase Agreement shall affect the Debtors' obligations under section 365(d)(3) of the Bankruptcy Code (or Buyer's assumption thereof) prior to the assumption and assignment or rejection of any Executory Contracts and Leases.

33. Upon the Closing, Buyer shall be deemed to be substituted for the Debtors as a party to the applicable Assumed Contracts and shall pay all outstanding undisputed Cure Amounts with respect thereto, and the Debtors shall be released, pursuant to section 365(k) of the Bankruptcy Code, from any liability under the Assumed Contracts from and after such assignment. There shall be no rent accelerations, assignment fees, increases or any other fees charged to Buyer or the Debtors as a result of the assumption and assignment of the Assumed Contracts.

34. Buyer has provided adequate assurance of future performance under the Assumed Contracts within the meaning of sections 365(b)(1)(c), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

35. After the Closing, the Debtors shall not terminate, amend, supplement, modify or waive any rights under, or create any Adverse Interest with respect to, any Executory Contract or Lease (other than an Excluded Asset), or take any affirmative action not required thereby, without the prior written consent of Buyer (not to be unreasonably withheld or delayed) unless Buyer has provided written notice to the Debtors designating such Executory Contract or Lease for rejection pursuant to the Asset Purchase Agreement and the Sale Process Order.

36. Except in connection with Non-Continuing Contracts or as otherwise set forth herein, in the event Buyer has not provided a written designation to assume and assign or reject any Executory Contract or Lease by the date that is five (5) Business Days before the Closing Date, then such Executory Contract or Lease shall be deemed to be an Excluded Asset and the Debtors may file a Rejection Notice in the Bankruptcy Court seeking to reject such Executory Contract or Lease as of the Rejection Effective Date with respect thereto, and no Debtor shall have any obligation to assign such Executory Contract or Lease to Buyer.

37. Valassis Direct Mail, Inc. Notwithstanding anything in the Sale Process Order, the Asset Purchase Agreement or this Order to the contrary, the Buyer will not be required to provide a written designation to assume and assign or reject the Integrated Services Agreement by and between the Valassis Direct Mail, Inc. and Bob's Stores Corp., dated July 7, 2009, as amended on January 28, 2013, March 2, 2015 and August 18, 2016 (the "Valassis Agreement") until the Closing Date.

The Sale Does Not Require the Appointment of a Consumer Privacy Ombudsman

38. In connection with the sale of the Acquired Assets pursuant to the Asset Purchase Agreement, the Debtors shall be required to abide by their privacy policies in place as of the date of the Asset Purchase Agreement, as such policies may be amended from time to time. The sale of the Acquired Assets to Buyer is consistent with such privacy policies. Accordingly, no consumer privacy ombudsman need be appointed in connection with the sale under section 363(b)(1) of the Bankruptcy Code.

Other Provisions

39. Effective upon the Closing, the Debtors, on behalf of themselves and their respective subsidiaries, parents, divisions, affiliates, successors and assigns (collectively, in their capacities as parties granting releases pursuant to this Paragraph 39, the "Debtor Releasing

Parties”), hereby release, remise, acquit and forever discharge the Buyer and its past, present and future subsidiaries, parents, divisions, affiliates, agents, representatives, insurers, attorneys, successors and assigns, and each of its and their respective directors, managers, officers, employees, shareholders, members, agents, representatives, attorneys, contractors, subcontractors, independent contractors, owners, insurance companies and partners (except, in each case, the Debtor Releasing Parties) (collectively, in their capacities as parties being released pursuant to this Paragraph 39, the “Buyer Released Parties”), from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys’ fees and expenses, obligations, agreements, covenants, damages, liabilities, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute or common law of any kind, nature, or description, including, without limitation as to any of the foregoing, any claim by way of indemnity or contribution, which any Debtor Releasing Party has, may have had or may hereafter assert against any Buyer Released Party to the extent arising from or related in any way, either directly or indirectly to the Business, the Acquired Assets or the Assumed Liabilities and, in each case, only to the extent based on facts existing prior to the Closing; *provided, however*, that the foregoing release shall not apply to the Debtors’ rights or Buyer’s obligations under or with respect to this Order, the Asset Purchase Agreement, any Related Agreements and/or any other agreements entered into in connection with the transactions contemplated hereby or thereby.

40. Effective upon the Closing, Buyer, on behalf of itself and its subsidiaries, parents, divisions, successors and assigns (except, in each case, the Debtor Released Parties) (collectively, in their capacities as parties granting releases pursuant to this Paragraph 40, the “Buyer

Releasing Parties”), hereby releases, remises, acquits and forever discharges each Debtor and its past and present subsidiaries, parents, divisions, agents, representatives, attorneys, successors and assigns, and each of its and their respective directors, managers, officers, employees, shareholders, members, agents, representatives, attorneys, owners and partners (collectively, in their capacities as parties being released pursuant to this Paragraph 40, the “Debtor Released Parties”), from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys’ fees and expenses, obligations, agreements, covenants, damages, Liabilities, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute or common law of any kind, nature, or description, including, without limitation as to any of the foregoing, any claim by way of indemnity or contribution, in each case, which any Buyer Releasing Party has, may have had or may hereafter assert against any Debtor Released Party to the extent arising from or related in any way, either directly or indirectly, to the Business, the Acquired Assets or the Assumed Liabilities and, in each case, only to the extent based on facts existing prior to the Closing; *provided, however*, that the foregoing release shall not apply to Buyer’s rights or the Debtors’ obligations under or with respect to this Order or the Asset Purchase Agreement, any Related Agreements and/or any other agreements entered into in connection with the transactions contemplated hereby or thereby.

41. Subject to the terms of the Asset Purchase Agreement, the Asset Purchase Agreement and any related agreements may be waived, modified, amended or supplemented by agreement of the Debtors and Buyer, in consultation with counsel to the Committee, without further action or order of the Bankruptcy Court if it does not have a material adverse effect on

the Debtors' estates. Any material modification, waiver, amendment or supplement to the Asset Purchase Agreement must be approved by order of the Bankruptcy Court.

42. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified with respect to the Debtors to the extent necessary, without further order of this Court, to allow Buyer to deliver any notice provided for in the Asset Purchase Agreement and allow Buyer to take any and all actions permitted or required under the Asset Purchase Agreement in accordance with the terms and conditions thereof. Buyer shall not be required to seek or obtain any further relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Asset Purchase Agreement or any other sale-related document.

43. All persons, all Governmental Units (as defined in sections 101(27) and 101(41) of the Bankruptcy Code) and all holders of Adverse Interests, based upon or arising out of the Excluded Liabilities are hereby barred and estopped from taking any action against Buyer or the Acquired Assets to recover property on account of any Adverse Interests or on account of any Liabilities of the Debtors other than Assumed Liabilities pursuant to the Asset Purchase Agreement. All persons holding or asserting any Adverse Interests with respect to the Excluded Assets are hereby enjoined from asserting or prosecuting such Adverse Interests against Buyer or the Acquired Assets for any Liability whatsoever associated with the Excluded Assets.

44. The provisions of this Order authorizing the sale and assignment of the Acquired Assets free and clear, to the maximum extent permitted by law, of all Adverse Interests shall be self-executing, and neither the Debtors nor Buyer shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate and implement the provisions of this Order.

45. The provisions of this Order shall inure to the benefit of the Buyer and any permitted designee of the Buyer.

46. Neither the Debtors nor any of their Affiliates shall use, license or permit any third party to use, any name, slogan, logo or trademark which is confusingly or deceptively similar to any of the names, trademarks or service marks included in the Intellectual Property included in the Acquired Assets, and each Debtor is authorized to change its corporate name to a name which (i) does not use the name, "Bob's Stores", "Eastern Mountain Sports", "EMS" or any other name that references or reflects any of the foregoing in any manner whatsoever, (ii) is otherwise substantially dissimilar to its present name and (iii) is approved in writing by Buyer.

47. Within one (1) Business Day of the occurrence of the Closing of the Sale, the Debtors shall file and serve a notice of same, substantially in the form attached hereto as **Exhibit 2** (the "Notice of Sale Closing and Effective Date of Amendment of Case Caption") and upon the filing of such notice, the Debtors' case caption shall be amended as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re
EO Liquidating, LLC, *et al.*,¹
Debtors.

Chapter 11
Case No.: 17-10243 (LSS)
(Jointly Administered)

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers, where applicable, are as follows: EO Liquidating, LLC (9164); Subortis Retail Financing, LLC (9065); EM Liquidating, LLC (9553); Subortis IP Holdings, LLC; BS Liquidating, LLC (4389); and BS/EM Liquidating, LLC (9618). The Debtors' executive headquarters are located at 160 Corporate Court, Meriden, CT 06450

48. Upon the filing of the Notice of Sale Closing and Effective Date of Amendment of Case Caption, the Clerk of the Court is authorized and directed to make a docket entry in case numbers 17-10243 through 17-10248, consistent with Paragraph 47 of this Order.

49. The Court shall retain exclusive jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Asset Purchase Agreement, all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Debtors are a party or which has been assigned by the Debtors to Buyer, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale. This Court retains jurisdiction to compel delivery of the Acquired Assets, to protect Buyer and its assets, including the Acquired Assets, against any Adverse Interests and Successor and Transferee Liability and to enter orders, as appropriate, pursuant to sections 105, 363 or 365 (or other applicable provisions) of the Bankruptcy Code necessary to transfer the Acquired Assets and the Assumed Contracts to Buyer. This Court retains jurisdiction to adjudicate disputes between Buyer and holders of claims related to the Assumed Liabilities regarding the Assumed Liabilities.

50. The Transaction contemplated hereunder shall not be affected by any bulk sales laws.

51. The Transaction contemplated hereunder are not receiving an exemption under section 1146(a) of the Bankruptcy Code.

52. Notwithstanding anything in this Order to the contrary, this Order does not authorize any payments or obligations subject to section 503(c) of the Bankruptcy Code.

53. Consulting Agreement. Reference is made to the (1) Order (I) Authorizing the Debtors to Conduct Store Closing or Similar Themed Sales, (II) Authorizing the Debtors to

Enter into a Consulting Agreement with the Store Liquidators, (III) Authorizing the Sale of Assets Sold at the Non-Continuing Stores Free and Clear of All Liens, Claims and Encumbrances, (IV) Approving Sale Guidelines, and (V) Granting Related Relief, entered by the Court on April 13, 2017 [Docket No. 408] (the “Store Closing Sale Order”); (2) the Consulting Agreement, dated March 28, 2017, attached as Exhibit 1 to the Store Closing Sale Order (the “Consulting Agreement”); and (3) the store closing sale guidelines, attached as Exhibit 2 to the Store Closing Sale Order (the “Sale Guidelines”). For the avoidance of doubt (i) the Buyer shall be liable for the Debtors’ financial obligations arising under the Consulting Agreement prior to or after the Closing Date, except to the extent such liabilities have been previously paid by the Debtors and (ii) nothing in this Order shall in any way limit the terms and conditions set forth in the Store Closing Sale Order, the Consulting Agreement or the Sale Guidelines nor any side letter agreements among the Debtors, the Consultant and any landlords.

54. Vantiv Agreement. There are no cure amounts known to be due or payable by the Debtors with respect to that certain Bank Card Merchant Agreement dated March 20, 2012, by and between Bob Stores, LLC and Vantiv, LLC (f/n/a Fifth Third Processing Solutions, as amended, the “Vantiv Agreement”). Notwithstanding anything to the contrary in the Sale Motion, this Order, or the related sale documents, the Vantiv Agreement is a Contract assumed by the Debtors under this Order and assigned to the Buyer at Closing and the cure amount determined as set forth in this paragraph. Any defaults of the Debtors under the Vantiv Agreement and any pecuniary losses related thereto shall be deemed cured and compensated pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, and the Debtors and their estates shall have no further liability under the Vantiv Agreement solely for any defaults that existed prior to the date of the entry of this Order; provided, however, that if a default that arose prior to the date of entry

of this Order becomes known after the assumption of the Vantiv Agreement, the Buyer shall cure the same in the ordinary course of business pursuant to the terms of the Vantiv Agreement.

55. By the assumption and assignment of the Vantiv Agreement, the Buyer also assumes and accepts any and all obligations of the Debtors that arise under the Vantiv Agreement resulting from the Debtors' sales pursuant to the Store Closing Sale Order. For the avoidance of doubt, the Buyer agrees and acknowledges that it is obligated to pay Vantiv for any amounts due it under the Vantiv Agreement or otherwise as a result of a sale made pursuant to the Store Closing Order, including obligations of the Debtors that would arise had the Vantiv Agreement not been assigned to the Buyer under this Sale Order, if any.

56. Special Provisions for Assumed Real Property Leases. With respect to any assumed and assigned lease of non-residential real property (an "Assigned Real Property Lease"), the Buyer shall remain liable for: (i) amounts owed under the Assigned Real Property Lease that are unbilled or not yet due as of the effective date of the assumption and assignment of the Assigned Real Property Lease (the "Effective Date") regardless of when such amounts accrued, such as common area maintenance, insurance, taxes, and similar charges; (ii) any regular or periodic adjustment or reconciliation of charges under the Assigned Real Property Lease which are not due or have not been determined as of the Effective Date regardless of when such amounts accrued; (iii) any percentage rent that may come due under the Assigned Real Property Lease regardless of when such amounts accrued; (iv) other obligations, including indemnification obligations, if any, as of the Effective Date regardless of when such amounts accrued; or (v) any unpaid cure or post-assignment obligations under the Assigned Real Property Leases. All rights of the parties under the Assigned Real Property Leases for setoff, recoupment and subrogation shall survive, notwithstanding any term or condition of this Order to the

contrary. In addition, to the extent not previously paid by the Debtors, any “stub rent” due and owing for the month of February, 2017 under any Assigned Real Property Lease shall be paid on the Closing Date. Notwithstanding anything to the contrary in this Order, the rights of the parties with respect to timely filed objections to the Sale Motion (including the Cure Notice) and adequate assurance which have been adjourned and any objections to a Supplemental Assumption Notice in accordance with the Sale Process Order are reserved for a later hearing to be scheduled in accordance with the Sale Process Order or as otherwise ordered by the Court.

57. Cigna. Notwithstanding anything to the contrary in this Order, the *Limited Objection of Cigna Entities to (A) Debtors' Motion for Orders (A)(I) Authorizing and Approving Bidding Procedures, Break-Up Fee and Expense Reimbursement; (II) Authorizing and Approving the Debtors' Entry Into the Stalking Horse APA; (III) Approving Notice Procedures; (IV) Scheduling a Sale Hearing; And (V) Approving Procedures for Assumption and Assignment of Executory Contracts and Unexpired Leases and Determining Cure Amounts and (B)(I) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of All Claims, Liens, Rights, Interests, and Encumbrances; (II) Approving the Stalking Horse APA; and (III) Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases [D.I. 76]; and (B) Notice of Filing of Revised Exhibit A to Notice of (I) Possible Treatment of Executory Contracts and Leases, (II) Fixing of Cure Amounts and (III) Deadline to Object [D.I. 273] [Docket No. 342] (“Cigna Objection”)* is hereby adjourned. The parties shall continue efforts to resolve the Limited Objection in good faith, and the Cigna Contracts (as defined in the Cigna Objection) shall not be assumed or assigned absent (i) the entry of an Order upon the consent of Cigna, Buyer and Debtor, or (ii) a further order of this Court after a hearing on no less than five (5) days' notice to Cigna.

58. Notwithstanding the possible applicability of Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 and 9014 or otherwise, this Order shall not be stayed, the terms and conditions of this Order shall be effective immediately upon entry and the Debtors and Buyer are authorized to close the Sale immediately upon entry of this Order.

59. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

60. To the extent there are any inconsistencies between the terms of the Sale Process Order, this Order and the Asset Purchase Agreement, the terms of this Order shall control

Dated April 19, 2017
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN

EXHIBIT 1

Asset Purchase Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

EASTERN OUTFITTERS, LLC,

THE OTHER SELLERS NAMED HEREIN,

and

SPORTSDIRECT.COM RETAIL LTD.

February 8, 2017

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of February 8, 2017, by and among Eastern Outfitters, LLC, a Delaware limited liability company ("EO"), Eastern Mountain Sports, LLC, a Delaware limited liability company ("EMS"), Bob's Stores, LLC, a Delaware limited liability company ("Bob's"), Subortis IP Holdings, LLC, a Delaware limited liability company ("SIH"), Bob's/EMS Gift Card, LLC, a limited liability company organized under the laws of the Commonwealth of Virginia ("BEGC" and, together with EO, EMS, Bob's and SIH, "Sellers," and each individually, a "Seller"), and Sportsdirect.com Retail Ltd., an England and Wales private limited company (together with its permitted successors, designees and assigns, "Buyer"). Sellers and Buyer are referred to collectively herein as the "Parties." Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in Article I.

WHEREAS, on February 5, 2017 (the "Petition Date"), each Seller filed a voluntary petition for relief under title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and these jointly administered bankruptcy cases shall be referred to as the "Chapter 11 Cases");

WHEREAS, Sellers engage in the business of operating two national multi-channel retailers engaged in the apparel, footwear, and sporting goods lines of business: "Bob's Stores", a regional retailer of branded, value-oriented quality footwear, apparel, workwear, teamware and accessories for the entire family, and "Eastern Mountain Sports", a multi-channel retailer of human-powered outdoor sports apparel and equipment, and formerly engaged in the "Sports Chalet" business, a West Coast-based full-service sporting goods retailer of apparel, footwear and equipment servicing individuals and teams (collectively, the "Business");

WHEREAS, each Seller is operating its Business as a debtor-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code in the Chapter 11 Cases;

WHEREAS, (i) Sellers wish to sell, transfer and assign to Buyer, and Buyer wishes to purchase, acquire and assume from Sellers, the Acquired Assets, and (ii) Buyer wishes to assume from Sellers the Assumed Liabilities, all on the terms and subject to the conditions set forth herein and in accordance with sections 105, 363 and 365 and other applicable provisions of title 11 of the Bankruptcy Code; and

WHEREAS, Sellers have agreed to file the Sale Motion with the Bankruptcy Court on or prior to February 10, 2017, to implement the transactions contemplated hereby upon the terms and subject to the conditions set forth herein and in the Sale Motion.

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

**ARTICLE I
DEFINITIONS**

“Accounts Receivable” means (a) all trade accounts receivable and other rights to payment from customers of Sellers, (b) all other accounts receivable, notes receivable, negotiable instruments, chattel paper (including completed work which has not yet been billed) and other receivables of Sellers, whether current or non-current (including in respect of goods shipped, products sold, licenses granted, services rendered or otherwise associated with the Business and all amounts that may be returned or returnable with respect to letters of credit drawn down prior to the Closing), and (c) any security interest, claim, remedy or other right related to any of the foregoing, in each case, arising out of the operation of the Business prior to the Closing.

“Acquired Assets” means all of the Seller Assets, including the assets listed in Section 2.1(a) through (cc); provided, however, that, notwithstanding the foregoing or anything contained in this Agreement to the contrary, the Acquired Assets shall not include any of the Excluded Assets.

“Administrative Claim” means a Claim arising under sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code.

“Affiliate” when used with reference to another Person means any Person, directly or indirectly, through one or more intermediaries, Controlling, Controlled by, or under common Control with, such other Person.

“Agreement” has the meaning set forth in the preamble.

“Allocation” has the meaning set forth in Section 2.10.

“Assignment and Assumption Agreement” has the meaning set forth in Section 2.8(a)(ii).

“Assumed Benefit Plans” means the Employee Benefit Plans, if any, that will be assumed by Buyer pursuant to Section 6.4(d).

“Assumed Contracts” means those Leases and Executory Contracts that have been designated by Buyer for assumption and assignment to Buyer by Seller pursuant to Section 2.6 and with respect to which an order has been entered by the Bankruptcy Court (which may be the Sale Order) authorizing the assumption and assignment of the Lease or Executory Contract and an Assumption Notice has been delivered and filed with the Bankruptcy Court. For the avoidance of doubt, “Assumed Contracts” shall not include any Executory Contract or Lease that is excluded and rejected pursuant to Section 2.6.

“Assumed Liabilities” means those liabilities and obligations enumerated on Schedule 2.3 attached hereto.

“Assumed Permits” means all Permits relating to the Business that are transferable in accordance with their terms, but excluding all Permits to the extent related to any Excluded Asset, including any Lease that is not an Assumed Contract.

“Assumption Notice” has the meaning set forth in Section 2.6(b).

“Auction” means the auction conducted in accordance with the Bidding Procedures and APA Approval Order.

“Avoidance Actions” means all avoidance claims, causes of action, or rights of recovery under Chapter 5 of the Bankruptcy Code or similar State Laws.

“Bankruptcy Code” has the meaning set forth in the recitals.

“Bankruptcy Court” has the meaning set forth in the recitals.

“BEGC” has the meaning set forth in the preamble.

“Bidding Procedures” means the bidding procedures approved by the Bankruptcy Court pursuant to the Bidding Procedures and APA Approval Order substantially in the form of Exhibit A attached hereto, with such changes or modifications as are acceptable to Buyer in its sole discretion.

“Bidding Procedures and APA Approval Order” means an order of the Bankruptcy Court approving the Bidding Procedures, authorizing Sellers to enter into and perform their obligations under this Agreement and the Bidding Procedures, and approving, and ordering Sellers to perform their obligations under this Agreement, in form and substance acceptable to Buyer in its sole discretion.

“Bill of Sale” has the meaning set forth in Section 2.8(a)(i).

“Bob’s” has the meaning set forth in the preamble.

“Break Fee” has the meaning set forth in Section 8.3(b).

“Business” has the meaning set forth in the recitals.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks located in New York, New York shall be authorized or required by Law to close.

“Buyer” has the meaning set forth in the preamble.

“Buyer Released Parties” has the meaning set forth in Section 9.21(a).

“Buyer Releasing Parties” has the meaning set forth in Section 9.21(b).

“Cash” means cash, including all cash located at any Continuing Store or Non-Continuing Store or in Sellers’ or their designee’s bank accounts, lock-boxes and cash in transit, cash equivalents and liquid investments, excluding any retainers or professional fee escrows held by Sellers’ and/or the estates’ professionals.

“Cash Budget” means the “Budget” as defined in and under the DIP Financing, a copy of which initial Budget is attached to the DIP Order.

“Cash Payment” has the meaning set forth in Section 2.5(a).

“Chapter 11 Cases” has the meaning set forth in the recitals.

“Claim” means a “claim” as defined in section 101(5) of the Bankruptcy Code, whether arising before or after the Petition Date.

“Closing” has the meaning set forth in Section 2.7.

“Closing Date” has the meaning set forth in Section 2.7.

“COBRA” means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the IRC, and any similar state Law.

“Committee” means any official committee of unsecured creditors appointed in the Chapter 11 Cases.

“Competing Transaction” shall mean any or all of the following, other than an Excluded Transaction: (i) a sale, transfer or other disposition of assets of any of the Sellers (other than sales of Inventory in the Ordinary Course of Business) in a single transaction or a series of related transactions; (ii) a sale, transfer or assignment of capital stock or other equity interests of any of Sellers, including by means of a merger; or (iii) any Chapter 11 plan of reorganization, any conversion of any of Sellers’ Chapter 11 Cases to a Chapter 7 bankruptcy case, or any other liquidation or equivalent event with respect to any or all Sellers; (iv) a transaction that, directly or indirectly, competes with, or otherwise would prohibit or frustrate, the transactions contemplated hereby; or (v) a public announcement of a proposal, plan, intention or agreement to do any of the foregoing.

“Consent” means any approval, consent, ratification, permission, clearance, designation, qualification, waiver or authorization, or an order of the Bankruptcy Court that deems or renders unnecessary the same.

“Consumer Liabilities” means Sellers’ obligations to (a) provide merchandise refunds and exchanges, (b) honor store or customer credits, customer prepayments and customer loyalty programs and (c) provide customer refunds, in each case, to customers of the Business in a manner consistent with the customer policies of the Business.

“Continuing Store” means any of Sellers’ store locations with respect to which the associated Lease has been designated by Buyer as a Designated Contract.

“Contract” means any written or oral agreement, contract, lease, sublease, indenture, mortgage, instrument, guaranty, loan or credit agreement, note, bond, customer order, purchase order, sales order, sales agent agreement, supply agreement, development agreement, joint venture agreement, promotion agreement, license agreement, contribution agreement, partnership agreement or other arrangement, understanding, permission or commitment that, in each case, is legally binding.

“Control” means, when used with reference to any Person, the power to direct the management or policies of such Person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with any Contract; and the terms “Controlling” and “Controlled” shall have meanings correlative to the foregoing.

“Credit Bid” has the meaning set forth in Section 2.5(a).

“Credit Card Receivables” means all accounts receivable and other amounts owed to any Seller (whether current or non-current) in connection with any customer purchases from any Seller or stores operated thereby that are made with credit cards or any other amounts owing, including deposits or holdbacks to secure chargebacks, offsets or otherwise, from credit card processors to Sellers, in each case which are not subject to offset, chargeback or other reduction.

“Cure Amounts” has the meaning set forth in Section 2.6(c).

“Cure Notice” has the meaning set forth in Section 5.3(c).

“Current Employee” means every officer or employee of any Seller who as of the Closing Date is employed by one of the Sellers, including any such employee who is on (i) temporary leave for purposes of jury or military duty, (ii) vacation, (iii) maternity or paternity leave, leave under the Family Medical Leave Act of 1993, approved personal leave or short term-disability or medical leave, or (iv) any other employer approved leave of absence.

“Decree” means any judgment, decree, ruling, decision, opinion, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, judicial order, administrative order or any other order of any Governmental Entity.

“Designated Contracts” has the meaning set forth in Section 2.6(b).

“Designation Deadline” means 5:00 p.m. (prevailing Eastern time) on the date that is three (3) Business Days prior to the Closing Date.

“DIP Financing” means that certain Debtor in Possession Credit and Security Agreement by and among EMS, Bob’s, SRF, EO, SIH, BEGC, the lenders party thereto, and Buyer, as may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and the DIP Orders.

“DIP Financing Obligations” means all “Obligations” as defined in the credit agreement governing the DIP Financing.

“DIP Lender” means “Lenders” as defined in the credit agreement governing the DIP Financing.

“DIP Orders” mean the interim and final orders of the Bankruptcy Court approving the DIP Lender’s entry into the DIP Financing, and any amendment, modification or supplement of such orders in form and substance acceptable to Sellers and the DIP Lender.

“Disclosure Schedule” has the meaning set forth in Article III.

“Employee Benefit Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) and any other benefit or compensation plan, program, agreement or arrangement of any kind, including any bonus, equity based compensation, severance pay and salary continuation plan, program, agreement or arrangement, in each case, maintained or contributed to by any Seller or in which any Seller participates or participated and that provides benefits to any Current Employee or Former Employee.

“EMS” has the meaning set forth in the preamble.

“End Date” means the later of (x) the day that is 90 days following the date hereof or (y) if Buyer elects to extend the Closing Date pursuant to Section 2.7, the Business Day after the latest possible Closing Date as it may be so extended by Buyer.

“Environmental, Health and Safety Requirements” means, as enacted and in effect on or prior to the Closing Date, all applicable Laws concerning Hazardous Substances, worker health and safety, pollution or the protection of the environment.

“EO” has the meaning set forth in the preamble.

“ERISA” means the United States Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business, whether or not incorporated, that together with Sellers would be deemed a “single employer” within the meaning of Section 4001(b)(i) of ERISA.

“Estimated Assumed Liability Amount” has the meaning set forth in Section 5.11.

“Excluded Assets” means, collectively, the following assets of Sellers: (a) all of Sellers’ and their respective Affiliates’ certificates of incorporation and other organizational documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock certificates and other documents relating to the organization, maintenance and existence of any Seller or any of its Affiliates as a corporation, limited liability company or other entity; (b) all equity securities of any Seller; (c) all Records related to income Taxes paid or payable by any Seller or with respect to the income of any Seller (provided that Buyer shall have the right to reasonably request copies of and access to Records to meet applicable Tax reporting and filing requirements and Sellers shall comply with such requests and Buyer shall pay Sellers’ actual and reasonable out of pocket costs with respect to such access); (d) all assets, rights and claims arising from or with respect to income Taxes of any Seller, including all rights arising from any refunds due from federal, state and/or local Governmental Entities with respect to income Taxes paid by Sellers, income Tax deposits, income Tax prepayments and estimated income Tax payments and all net operating losses; (e) all Non-Continuing Contracts, all Excluded Contracts, and all Leased Real Property related to Non-Continuing Contracts and Excluded Contracts that are Leases; (f) the Excluded Claims; (g) any (1) personnel and medical Records pertaining to Former Employees or Current Employees who are not Transferred Employees, (2) other Records that Sellers are required by Law to retain and (3) Records or other documents relating to the Chapter 11 Cases that are protected by the attorney-client privilege; provided that Buyer shall have the right to make copies of any portions

of such retained Records to the extent that such portions relate to the Business or any Acquired Asset; (h) all Permits other than the Assumed Permits; (i) all assets maintained pursuant to or in connection with any Employee Benefit Plan (other than the Assumed Benefit Plans); and (j) the rights of Sellers under this Agreement and all cash and non-cash consideration payable or deliverable to Sellers under this Agreement.

“Excluded Claims” means (a) rights, including rights of set-off and rights of recoupment, refunds, claims, counterclaims, demands, causes of action and rights to collect damages of Sellers against third parties to the extent related to any Excluded Asset or Excluded Liability and (b) Avoidance Actions and rights, including rights of set-off and rights of recoupment, refunds, claims, counterclaims, demands, causes of action and rights to collect damages of Sellers against any equityholders or officers, managers, directors or employees of Sellers who are not Transferred Employees, and (c) any claims or causes of action released by Buyer under Section 9.21(b) hereof.

“Excluded Contract” has the meaning set forth in Section 2.6(b).

“Excluded Employee” has the meaning set forth in Section 6.4(b).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Transaction” means the transaction described in this Agreement or any other transaction with Buyer.

“Executory Contract” means a Contract to which one or more of the Sellers are party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code, other than the Leases.

“Expense Reimbursement” has the meaning set forth in Section 8.3(b).

“Expenses” shall mean all reasonable out-of-pocket documented fees and expenses of Buyer and its Affiliates, including all fees and expenses of counsel, accountants, consultants, financial advisors, financing sources and investment bankers, incurred by such party or on its behalf solely in connection with or related to the authorization, preparation, negotiation, execution, and performance of this Agreement and the transactions contemplated hereby; provided, however, that in no event shall the Expenses exceed \$750,000 in the aggregate.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, which has been entered on the docket, and that has not been stayed, reversed, modified or amended and as to which the time to file an appeal, a motion for rehearing, re-argument or reconsideration or a petition for writ of certiorari has expired or been waived by Sellers, and as to which no appeal, petition for certiorari, or other proceedings for re-argument, reconsideration or re-hearing are then pending or as to which an appeal, petition for certiorari, or a motion for re-argument, reconsideration or rehearing has been filed or sought and such order shall not have been stayed; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being or becoming a Final Order.

“FIRPTA Affidavit” has the meaning set forth in Section 2.8(a)(vii).

“First Lien Financing” means that certain Revolving Credit and Security Agreement, dated as of July 18, 2016, by and among EMS and Bob’s, as borrowers, EO, SIH, BEGC and SRF, as guarantors, PNC Bank, National Association, as agent, and the lenders party thereto (as amended, waived, restated, supplemented or otherwise modified from time to time).

“First Lien Financing Obligations” means the “Obligations” as defined under the First Lien Financing.

“Former Employees” means all individuals who have been employed by Sellers (or any of their predecessors) who are not Current Employees.

“Furnishings and Equipment” means tangible personal property (other than Inventory and Intellectual Property) which is used or held for use in the operation of the Business.

“GAAP” means generally accepted accounting principles in the United States as set forth in accounting rules and standards promulgated by the Financial Accounting Standards Board or any organization succeeding to any of its principal functions.

“Governmental Entity” means any United States federal, state or local or non-United States governmental or regulatory authority, agency, commission, court, body or other governmental entity.

“Hazardous Substance” means any substance that is listed, defined, designated or classified as hazardous, toxic or otherwise harmful under applicable Laws or is otherwise regulated by a Governmental Entity, including petroleum products and byproducts, asbestos-containing material, polychlorinated biphenyls, lead-containing products and mold.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder.

“Indebtedness” of any Person means, without duplication, (a) the principal of and premium (if any) in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, (b) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable for goods and services and other accrued current liabilities arising in the Ordinary Course of Business), (c) all obligations of such Person under leases required to be capitalized in accordance with GAAP, (d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction, (e) the liquidation value of all redeemable preferred stock of such Person, (f) all obligations of the type referred to in clauses (a) through (e) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations, and (g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

“Insurance Policy” means each primary, excess and umbrella insurance policy, bond and other forms of insurance owned or held by or on behalf of, or providing insurance coverage to, the Business, Sellers and their operations, properties and assets, including all stop-loss insurance policies with respect to Sellers’ self-insured medical and/or dental insurance programs.

“Intellectual Property” means any and all rights, title and interest in or relating to intellectual property of any type, which may exist or be created under the Laws of any jurisdiction throughout the world, including: (a) patents and patent applications, together with all reissues, continuations, continuations-in-part, divisionals, extensions and reexaminations in connection therewith; (b) trademarks, service marks, trade dress, logos, slogans, trade names, service names, brand names (including the names “Bob’s Stores”, “Eastern Mountain Sports”, “EMS”, and “Sport Chalet”), Internet domain names and all other source or business identifiers and general intangibles of a like nature, along with all applications, registrations and renewals in connection therewith, and all goodwill associated with any of the foregoing; (c) rights associated with works of authorship, including exclusive exploitation rights, mask work rights, copyrights, database and design rights, whether or not registered or published, all registrations and recordations thereof and applications in connection therewith, along with all extensions and renewals thereof; (d) trade secrets; and (e) all other intellectual property rights arising from or relating to Technology.

“Intellectual Property Assignments” has the meaning set forth in Section 2.8(a)(iv).

“Inventory” means inventories of raw materials and supplies, manufactured, spare and purchased parts, goods in process and finished goods, in each case, that are used or held for use in the operation of the Business, whether or not prepaid and whether in transit to or from Sellers and whether in Sellers’ warehouses, distributions facilities, stores, outlets, held by third parties or otherwise.

“IRC” means the United States Internal Revenue Code of 1986, as amended.

“Key Employee” has the meaning set forth in Section 6.4(b).

“Law” means any federal, state, provincial, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance (including with respect to zoning or other land use matters), code, treaty, convention, rule, regulation, requirement, edict, directive, pronouncement, determination, proclamation or Decree of any Governmental Entity.

“L/C Deposit Assets” has the meaning set forth in the LOI.

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property of Sellers or any of their Affiliates which is used in the Business.

“Lease” or Leases” means all leases, subleases, licenses, concessions and other Contracts, including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, in each case pursuant to which any Seller holds any Leased Real Property.

“Liability” means any liability, Indebtedness, guaranty, claim, loss, damage, deficiency, assessment, responsibility or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether due or to become due, whether determined or determinable, whether choate or inchoate, whether secured or unsecured, whether matured or not yet matured).

“Lien” means any mortgage, deed of trust, hypothecation, contractual restriction, pledge, lien, encumbrance, interest, charge, security interest, put, call, other option, right of first refusal, right of first offer, servitude, right of way, easement, conditional sale or installment contract, finance lease involving substantially the same effect, security agreement or other encumbrance or restriction on the use, transfer or ownership of any property of any type, including real property, tangible property and intangible property and including any “Lien” as defined in the Bankruptcy Code.

“Liquidation Plan” has the meaning set forth in Section 5.1(e).

“Litigation” means any action, cause of action, suit, claim, investigation, mediation, audit, grievance, demand, hearing or proceeding, whether civil, criminal, administrative or arbitral, whether at law or in equity and whether before any Governmental Entity or arbitrator.

“LOI” that certain letter of intent dated January 27, 2017 (as amended, waived, restated, supplemented or otherwise modified from time to time) by and between EO, SRH, which directly and indirectly owns all of the membership interests of all Sellers, and Vestis to, *inter alia*, purchase all of the indebtedness of Sellers pursuant to that certain Term Loan and Security Agreement, dated as of July 18, 2016, by and among EMS and Bob’s, as borrowers, EO, SIH, BEGC and SRF, as guarantors, and Vestis, as agent and lender.

“Material Adverse Effect” means any change, event, effect, development, condition, circumstance or occurrence (when taken together with all other changes, events, effects, developments, conditions, circumstances or occurrences), that (a) is materially adverse to the financial condition or results of operations of the Business (taken as a whole); or (b) would reasonably be expected to prevent, materially delay or materially impair to the ability of any Seller to consummate the transactions contemplated by this Agreement or the Related Agreements on the terms set forth herein and therein; provided, however, that no change, event, effect, development, condition, circumstance or occurrence related to any of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been a Material Adverse Effect: (i) national or international business, economic, political or social conditions, including the engagement by the United States of America in hostilities, affecting (directly or indirectly) the industry in which the Business operates, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States of America or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States of America, except to the extent that such change has a materially disproportionate adverse effect on the Business relative to the adverse effect that such changes have on other companies in the industry in which the Business operates; (ii) financial, banking or securities markets, including any disruption thereof or any decline in the

price of securities generally or any market or index, except to the extent that such change has a materially disproportionate adverse effect on Business relative to the adverse effect that such change has on other companies in the industry in which the Business operates; (iii) any change in GAAP or Law; (iv) any change directly attributable to the announcement of this Agreement or any Related Agreement as contemplated hereby; (v) any change resulting from any act of God or other force majeure event, including natural disasters; (vi) in the case of Sellers or the Business, (A) the failure in and of itself to meet or exceed any projection or forecast (as distinguished from any change or event giving rise to or contributing to such failure) or (B) changes resulting from the announcement or the filing of the Chapter 11 Cases or Sellers' and certain of their respective Affiliates' status as debtors under Chapter 11 of the Bankruptcy Code; or (vii) seasonal changes in the results of operations (provided that such seasonal changes are consistent with the historic experience of the Business).

"Non-Assumed Benefit Plan" has the meaning set forth in Section 6.4(d).

"Non-Continuing Contract" has the meaning set forth in Section 2.6(b).

"Non-Continuing Store" has the meaning set forth in Section 2.6(b).

"Non-Continuing Store Proceeds" has the meaning set forth in Section 2.11(b).

"Operational Expenses" means all expenses of the Business, including employee and occupancy expenses, all costs and expenses associated with any Lease (including all operations thereon) or Executory Contract, including rent, ground lease rent, common area maintenance, utilities, Taxes, insurance, security and other actual out-of-pocket costs; provided that such expenses are incurred in the Ordinary Course of Business or in accordance with the Liquidation Plan and are provided for in the Cash Budget or accrued on or prior to the date of the applicable Store Closing in a manner consistent with the Cash Budget or the Liquidation Plan.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice; provided that for any period after the Petition Date, ordinary course of business shall also be consistent with the Cash Budget, the Liquidation Plan and the provisions of Section 5.4 hereof.

"Owned Real Property" means the land, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, that was owned by EMSOC Liquidating, LLC (f/k/a EMS Operating Company, LLC) and located at 1 Vose Farm Road, Peterborough, New Hampshire 03458 that was purchased by Vestis BSI Funding II, LLC pursuant to that certain Amended and Restated Asset Purchase Agreement, dated May 31, 2016, among Vestis BSI Funding II, LLC and the various sellers thereunder.

"Parties" has the meaning set forth in the preamble.

"Permit" means any franchise, approval, permit, license, order, registration, certificate, variance, Consent, exemption or similar right issued, granted, given or otherwise obtained from or by any Governmental Entity, under the authority thereof or pursuant to any applicable Law.

"Permitted Liens" means (a) Liens for Taxes which are not yet delinquent or which are being contested in good faith by appropriate proceedings; (b) with respect to leased or licensed personal property, the terms and conditions of the lease or license applicable thereto to the extent constituting an Assumed Contract; (c) mechanics liens and similar liens for labor, materials or supplies provided with respect to real property incurred in the Ordinary Course of Business for amounts which are not delinquent and which are not material or which are being contested in good faith by appropriate proceedings; (d) with respect to real property, zoning, building codes and other land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property which are not violated by the current use or occupancy of such real property or the operation of the Business, except where any such violation would not, individually or in the aggregate, materially impair the use, operation or transfer of the affected property or the conduct of the Business thereon as it is currently being conducted; (e) easements, covenants, conditions, restrictions and other similar matters affecting title to real property and other encroachments and title and survey defects that do not or would not materially impair the value or the use or occupancy of such real property or materially interfere with the operation of the Business at such real property; and (f) matters that would be disclosed on an accurate survey or inspection of the real property but which do not interfere in any material respect with the right or ability to use the property as currently used or operated or to convey fee simple title.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity, including any Governmental Entity or any group or syndicate of any of the foregoing.

"Petition Date" has the meaning set forth in the recitals.

"Prevailing Bid" has the meaning assigned to such term in the Bidding Procedures.

"Prevailing Bidder" has the meaning assigned to such term in the Bidding Procedures.

"Priority Claim" means a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code.

"Professional Services" has the meaning set forth in the DIP Order.

"Purchase Price" has the meaning set forth in Section 2.5.

"Qualifying Bid" has the meaning assigned to such term in the Bidding Procedures.

"Qualifying Bidder" has the meaning assigned to such term in the Bidding Procedures.

"Records" means the books, records, information, ledgers, files, invoices, documents, work papers, correspondence, lists (including customer lists, supplier lists and mailing lists), plans (whether written, electronic or in any other medium), drawings, designs, specifications, creative materials, advertising and promotional materials, marketing plans, studies, reports, data and similar materials related to the Business.

“Registered” means issued by, registered with, renewed by or the subject of a pending application before any Governmental Entity or domain name registrar.

“Rejection Effective Date” means the date the rejection of an Executory Contract or Lease is effective.

“Related Agreements” means the Bill of Sale, the Assignment and Assumption Agreement(s) and the Intellectual Property Assignments.

“Representative” of a Person means such Person’s Subsidiaries and the officers, directors, managers, employees, advisors, representatives (including its legal counsel and its accountants) and agents of such Person or its Subsidiaries.

“Sale Motion” has the meaning set forth in Section 5.3(a).

“Sale Order” means an order entered by the Bankruptcy Court in the Chapter 11 Cases in form and substance acceptable to Buyer in its sole discretion, pursuant to, *inter alia*, sections 105, 363 and 365 of the Bankruptcy Code, approving this Agreement and all of the terms and conditions hereof, and approving and authorizing the Parties to consummate the transactions contemplated hereby.

“Second Lien Financing” has the meaning set forth in the recitals.

“Second Lien Financing Obligations” means the “Obligations” as defined under the Second Lien Financing.

“Selected Employee” has the meaning set forth in Section 6.4(a).

“Seller” or “Sellers” has the meaning set forth in the preamble.

“Seller Assets” means all of Sellers’ right, title and interest in and to all of Sellers’ properties, assets and rights of every nature, kind and description, tangible and intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, wherever situated or located, existing as of the Closing, including all rights to bring claims for past, present or future infringement of the Intellectual Property owned by Sellers.

“Seller Released Parties” has the meaning set forth in Section 9.21(b).

“Seller Releasing Parties” has the meaning set forth in Section 9.21(a).

“Sellers’ Knowledge” (or words of similar import) means the actual knowledge of Mark T. Walsh, Scott Hampson and Daniel Bliss.

“Settlement Date” means January 27, 2017, which is the date of consummation of the purchase of the Second Lien Financing by Buyer.

“SIH” has the meaning set forth in the preamble.

“SRF” has the meaning set forth in Section 3.5.

“SRH” means Subortis Retail Holdings, LLC, a Delaware limited liability company.

“Store Closing” has the meaning set forth in Section 2.11(b).

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or other persons performing similar functions with respect to such corporation) is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses or shall be or control any managing director, managing member, or general partner of such business entity (other than a corporation). The term “Subsidiary” shall include all Subsidiaries of such Subsidiary.

“Tax” or “Taxes” means any United States federal, state or local or non-United States income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the IRC), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, real property, personal property, ad valorem, escheat, sales, use, transfer, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including claims asserted by a non-governmental entity or individual related to the collection or payment of any “Tax” or “Taxes” including, but not limited to, claims pursuant to a federal, state or local false claims acts or class action litigation, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto, whether or not disputed, and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“Tax Return” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Technology” means, collectively, all algorithms, data, databases, diagrams, inventions (whether or not patentable), know-how, methods, processes, proprietary information, tools, systems, servers, hardware, computers, point of sale equipment, inventory management equipment, software, software code (in any form, including source code and executable or object code), any other information technology equipment, techniques, web sites, works of authorship and other similar materials, including all documentation related to any of the foregoing, whether or not embodied in any tangible form and whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used in connection with the foregoing.

“Terminated Employee” has the meaning set forth in Section 6.4(a).

“Transfer Offer” has the meaning set forth in Section 6.4(a).

“Transfer Tax” has the meaning set forth in Section 6.6.

“Transferred Employee” has the meaning set forth in Section 6.4(b).

“Vestis” means Vestis Investments II, LLC, a Delaware limited liability company.

“WARN Act” means the United States Worker Adjustment and Retraining Notification Act or any similar applicable federal, state, provincial, local, municipal, foreign or other Law.

ARTICLE II PURCHASE AND SALE

Section 2.1 Purchase and Sale of Acquired Assets. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyer shall purchase, acquire and accept from Sellers, and Sellers shall sell, transfer, assign, convey and deliver to Buyer, all of the Acquired Assets as of the Closing free and clear of all Liens (other than Permitted Liens expressly identified in the Sale Order), for the consideration specified in Section 2.5. Without limiting the generality of the foregoing, the Acquired Assets shall include the following (except to the extent included as an Excluded Asset):

(a) in each case, as of the Closing: (i) Cash of Sellers, (ii) restricted cash deposits of Sellers held by any Person and relating to Acquired Assets or securing chargebacks, credit card processing claims or similar claims, (iii) cash deposits in cash collateral, indemnity or other accounts, including cash deposits supporting letters of credit (except for any retainers and professional fee escrows held by Sellers’ and/or the estates’ professionals), and (iv) cash in bank accounts and lock-boxes of Sellers; provided that, notwithstanding the foregoing, (I) any remaining cash retainer or amounts in the Professional Fee Account (as defined in the DIP Orders) shall not be deemed to be an Acquired Asset hereunder until such time as the Professional Services for which such retainer or escrow were held shall have been paid in accordance with applicable orders of the Bankruptcy Court, (II) any amounts in the Indemnity Payoff Amount (as defined in the DIP Orders) shall not be deemed to be an Acquired Asset hereunder until such time as such amounts are no longer subject to the Interests of the Prepetition Secured Parties (as defined in the DIP Orders), and (III) any amount necessary to satisfy the Cash Payment shall not be deemed to be an Acquired Asset to the extent such Cash Payment is not paid at Closing;

(b) all Accounts Receivable of Sellers (other than intercompany Accounts Receivable) as of the Closing;

(c) all Inventory of Sellers as of the Closing, including all rights of Sellers to receive such Inventory which are on order as of the Closing;

(d) without duplication of the above, all other current assets of Sellers as of the Closing;

(e) without duplication of the above, all royalties (except for any royalties under any Excluded Asset), advances, prepaid assets and deferred items, including all prepaid Taxes, prepaid rentals, unbilled charges, fees and deposits, prepaid insurance premiums, and other prepayments of Sellers as of the Closing relating to the Business;

(f) all Assumed Contracts;

(g) all Intellectual Property and databases (provided that Sellers shall be entitled to remove any Excluded Assets included in any databases from such databases) owned by Sellers;

(h) all open purchase orders with suppliers related to the Business;

(i) all items of machinery, equipment, supplies, furniture, fixtures, leasehold improvements (to the extent of Sellers' rights to any leasehold improvements under the Leases that are Assumed Contracts) owned by Sellers and all other Furnishings and Equipment as of the Closing;

(j) all Records, including Records related to Taxes paid or payable by any Seller (provided that Sellers are entitled to retain copies of all Records);

(k) except for the Excluded Claims, all Avoidance Actions and all claims and causes of action of Sellers as of the Closing against any Persons (regardless of whether or not such claims and causes of action have been asserted by Sellers) and all guaranties, rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery, including rights to insurance proceeds, possessed by Sellers as of the Closing (regardless of whether such rights are currently exercisable), including, for the avoidance of doubt, all rights, claims and causes of action, as of the Petition Date and as of Closing, of each Seller to pursue any claim or commence any action or proceeding for past, present or future infringement of the Intellectual Property owned by Sellers;

(l) except for the Excluded Claims, all causes of action, lawsuits, judgments, claims, refunds, rights of recovery, rights of set-off, counterclaims, defenses, demands, warranty claims, rights to indemnification, contribution, advancement of expenses or reimbursement, or similar rights of any Seller (at any time or in any manner arising or existing, whether choate or inchoate, known or unknown, now existing or hereafter acquired, contingent or noncontingent), including, for the avoidance of doubt, all rights, claims and causes of action, as of the Petition Date and as of Closing, of each Seller to pursue any claim or commence any action or proceeding (i) against any Transferred Employee (which claims shall be subject to the release in Section 9.21(b)), (ii) against any lender under (or direct or indirect participant of) the Second Lien Financing Obligations, and (iii) including any Avoidance Action, to recharacterize, avoid, limit, subordinate or otherwise modify or impair in any way the Second Lien Financing Obligations, or the priority thereof. For the avoidance of doubt, no claims, actions or

proceedings listed in the foregoing clauses (i) through (iii) shall constitute Excluded Claims;

(m) all goodwill associated with the Business or the Acquired Assets, including all goodwill associated with the Intellectual Property owned by Sellers and all rights under any confidentiality agreements executed by any third party for the benefit of any of Sellers to the extent relating to the Acquired Assets and/or the Assumed Liabilities (or any portion thereof);

(n) all rights of Sellers under non-disclosure or confidentiality, noncompete, or nonsolicitation agreements with current or former employees, directors, consultants, independent contractors and agents of any of Sellers or any of their Affiliates or with third parties to the extent relating to the Acquired Assets and/or the Assumed Liabilities (or any portion thereof);

(o) subject to Section 2.6(g), all of the Assumed Permits, or, to the extent provided in Section 2.6(g), all of the rights and benefits accruing under any Permits relating to the Business;

(p) the amount of, and all rights to any, insurance proceeds received by any of Sellers after the date hereof in respect of (i) the loss, destruction or condemnation of any Acquired Assets of a type set forth in Section 2.1(c), 2.1(g) or 2.1(i), occurring prior to, on or after the Closing or (ii) any Assumed Liabilities;

(q) all other rights, demands, claims, credits, allowances, rebates or other refunds, including any vendor or supplier rebates, rights in respect of promotional allowances or rights of set-off and rights of recoupment of every kind and nature (whether or not known or unknown or contingent or non-contingent), other than against Sellers, arising out of or relating to the Business as of the Closing, including all deposits, including customer deposits and security deposits (whether maintained in escrow or otherwise) for rent, electricity, telephone or otherwise, advances and prepayments;

(r) to the extent transferable, all Insurance Policies that, on or prior to the Closing, Buyer designates in writing to Sellers as Acquired Assets hereunder, and all rights and benefits of any Seller of any nature (except for any rights to insurance recoveries thereunder required to be paid to other Persons under any order of the Bankruptcy Court or relating to the DIP Financing) with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;

(s) all assets, rights and claims arising from or with respect to non-income and income Taxes of any Seller, including all rights arising from any refunds due from federal, state and/or local Governmental Entities with respect to non-income and income Taxes paid by Sellers, non-income Tax deposits, non-income Tax prepayments and estimated non-income Tax payments;

(t) all Credit Card Receivables as of the Closing and all Cash or other property on deposit at credit card processors as of the Closing related to the Business;

(u) all rights under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers, contractors and any other Person to the extent relating to products sold, or services provided, to Sellers or to the extent affecting any Acquired Assets and/or Assumed Liabilities;

(v) the right to receive and retain mail, Accounts Receivable payments and other communications of Sellers and the right to bill and receive payment for products shipped or delivered and services performed but unbilled or unpaid as of the Closing;

(w) all telephone numbers, fax numbers, e-mail addresses, websites, URLs and internet domain names owned or licensed by Sellers;

(x) all rights of Sellers in and to the Owned Real Property and the L/C Deposit Assets;

(y) all assets maintained or held (including all deposits) pursuant to or in connection with the Assumed Benefit Plans;

(z) all residual excess assets, including cash and/or collateral, following the termination or release of any letters of credits issued on behalf of any Seller in support of any workers' compensation claims;

(aa) the Non-Continuing Store Proceeds (as defined in Section 2.11(b));

(bb) personnel and medical Records pertaining to Transferred Employees; provided that appropriate consent is obtained from such Transferred Employee; and

(cc) all other assets that are related to or used in connection with the Acquired Assets or the Business.

Section 2.2 Excluded Assets. Nothing contained herein shall be deemed to sell, transfer, assign or convey any of the Excluded Assets to Buyer, and each Seller shall retain all of its right, title and interest to, in and under the Excluded Assets.

Section 2.3 Assumption of Assumed Liabilities. On the terms and subject to the conditions of this Agreement, at the Closing, Buyer shall assume and become responsible for only the Assumed Liabilities and no other Liabilities of Sellers or any of their Affiliates, and from and after the Closing agrees to timely pay, honor and discharge, or cause to be timely paid, honored and discharged, the Assumed Liabilities in accordance with the terms thereof.

Section 2.4 Excluded Liabilities. Notwithstanding anything herein to the contrary, the Parties expressly acknowledge and agree that Buyer shall not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any Liabilities of Sellers, whether existing on the Closing Date or arising thereafter, including on the basis of any Law imposing successor liability, other than the Assumed Liabilities and the obligations of Buyer under this Agreement (all such Liabilities that Buyer is not assuming being referred to collectively as the "Excluded Liabilities"). Without limiting the foregoing, Buyer shall not be obligated to assume, does not assume, and hereby disclaims all the Excluded Liabilities,

including the following Liabilities of any Seller, any predecessor of any Seller or any other Person, whether incurred or accrued before or after the Petition Date or the Closing:

(a) all income Taxes of Sellers or any Affiliate, including Taxes imposed on Sellers under Treasury Regulations Section 1.1502-6 and similar provisions of state, local or foreign income Tax Law, as a transferee or successor, by contract or otherwise;

(b) all Liabilities of Sellers relating to Professional Services performed in connection with this Agreement and any of the transactions contemplated, hereby, and any claims for such Professional Services in the Chapter 11 Cases, whether arising before, on or after the Petition Date;

(c) all Liabilities of Sellers relating to or arising from any collective bargaining agreement, including any related multiemployer pension plan;

(d) all Liabilities, in each case, to the extent earned or accrued prior to the Petition Date relating to (i) workers' compensation claims (provided that, and for the avoidance of doubt, any letter(s) of credit issued on behalf of any Seller in support of such workers' compensation claims are an Excluded Asset, provided, further, that residual excess assets following the termination or release of such letters of credit shall be Acquired Assets pursuant to Section 2.1(z)) based on facts occurring prior to the Petition Date, and (ii) unemployment benefits of any Current Employee and/or Former Employee based on employment terminations occurring prior to the Petition Date;

(e) any amounts under employee incentive plans, tuition assistance plans, or paid time off, sick leave or severance that constitutes a pre-petition claim unless it is required to be paid by applicable State Law;

(f) all Liabilities arising out of, relating to, or with respect to any notice pay or benefits, including under COBRA unless otherwise required by applicable Law based on employment terminations occurring prior to the Closing Date;

(g) all Liabilities arising out of, relating to, or with respect to any Employee Benefit Plan, including any Liabilities related to any Employee Benefit Plan which is an "employee pension benefit plan" (as defined in Section 3(2) of ERISA) that is subject to Section 302 or Title IV of ERISA or IRC Section 412, to the extent arising, accrued or incurred on or prior to the Closing Date;

(h) all Liabilities of Sellers in respect of Indebtedness (except to the extent of any Cure Amounts under any Assumed Contracts, and except with respect to any capitalized leases that are Assumed Contracts);

(i) all Liabilities arising in connection with any violation of any applicable Law relating to the period prior to the Closing, including any Environmental, Health and Safety Requirements;

(j) all Liabilities and obligations (i) that are the subject of any dispute, litigation, arbitration, judgment, order, decree or other proceeding as of the Closing Date,

(ii) with respect to periods prior to the Closing Date and are or could be asserted as a claim in litigation or arbitration after the Closing Date, (iii) relating to any bodily injury, or damage to property, incurred by any Person or (iv) arising as a result of actions or omissions with respect to services provided to customers prior to the Closing; provided that nothing herein shall prevent, prohibit or otherwise impair any Seller's right to make any claim for any insurance recovery after the Closing under any applicable Insurance Policy, as provided under Section 6.9(b);

(k) all Liabilities or obligations which Buyer may or could become liable for as a result of or in connection with any "de facto merger" or "successor-in-interest" theories of liability;

(l) all Liabilities of Sellers under this Agreement and the Related Agreements and the transactions contemplated hereby or thereby;

(m) all Liabilities and other amounts payable by any Seller to any other Seller and/or its Affiliates; and

(n) all Liabilities arising out of the rejection of the Non-Continuing Contracts and Excluded Contracts by Sellers.

Section 2.5 Consideration. In consideration of the sale of the Business and the Acquired Assets to Buyer, and in reliance upon the representations, warranties, covenants and agreements of Sellers set forth herein, and upon the terms and subject to the conditions set forth herein, the aggregate consideration for the sale and transfer of the Acquired Assets (the "Purchase Price") shall be composed of the following:

(a) the payment by Buyer to Sellers of an amount in cash equal to five hundred thousand dollars (\$500,000), as the same may be increased as mutually agreed by the Parties (the "Cash Payment");

(b) a credit bid pursuant to Section 363(k) of the Bankruptcy Code of (i) the outstanding DIP Financing Obligations and (ii) a portion of the Second Lien Financing Obligations held by Buyer and its Affiliates equal to twenty nine million dollars (\$29,000,000) (the "Credit Bid");

(c) the payoff in full by Buyer of all of the outstanding First Lien Financing Obligations, if any, in accordance with the First Lien Financing and each applicable intercreditor agreement referred to therein; and

(d) the assumption by Buyer of the Assumed Liabilities.

Section 2.6 Assumption and Assignment of Contracts.

(a) The Sale Order shall provide for the assumption by Sellers, and the assignment to the extent legally capable of being assigned by Sellers to Buyer, of the Designated Contracts pursuant to section 365 of the Bankruptcy Code on the terms and conditions set forth in the remainder of this Section 2.6, and shall provide for the

Designation Deadline as defined herein. At Buyer's request, and at Buyer's sole cost and expense, Sellers shall reasonably cooperate from the date hereof forward with Buyer as reasonably requested by Buyer (i) to allow Buyer to enter into an amendment of any Lease upon assumption of such Lease by Buyer (and Sellers shall reasonably cooperate with Buyer to the extent reasonably requested with Buyer in negotiations with the landlords thereof), or (ii) to otherwise amend any Lease to the extent such amendments would not adversely affect any Seller; provided that Sellers shall not be required to enter into any such amendment if such amendment would result in an assumption by any Seller of such Lease, unless such Lease will be assigned to Buyer at the time of such assumption.

(b) Buyer shall, on or before the Designation Deadline, provide a list to Sellers which list may be changed by adding or removing Executory Contracts or Leases from time to time prior to the Designation Deadline, identifying the Executory Contracts and Leases that Buyer has decided (i) will be assumed and assigned to Buyer on the Closing Date (the Executory Contracts and Leases listed as of the Designation Deadline, the "Designated Contracts"), and (ii) will not be assumed, but that will remain in place for a period after the Closing Date with respect to a store location that Buyer indicates will be liquidated pursuant to the Liquidation Plan (each such store, a "Non-Continuing Store", and such contracts in clause (ii), the "Non-Continuing Contracts"). In connection with the Closing, the applicable Seller shall file with the Bankruptcy Court and serve notice by first class mail on all non-debtor counterparties to all Designated Contracts (such notice, an "Assumption Notice"), and provide a copy of the same to Buyer, and at the Closing shall assume and assign to, and Buyer shall accept the assignment of and assume such Executory Contract or Lease. In connection with the Closing, the applicable Seller shall file a notice of rejection as of the Closing Date of every Executory Contract and Lease that is not a Designated Contract other than any Non-Continuing Contract ("Excluded Contracts"). The applicable Seller shall file rejection motions (which, in each case, shall be in form and substance acceptable to Buyer and shall seek to reject nunc pro tunc to the date of such notice or motion) for the Non-Continuing Contracts within two (2) Business Days of receiving written instruction from Buyer that such Non-Continuing Contract should be rejected. Buyer shall be obligated to perform or cause to be performed all of Sellers' post-petition obligations as required by applicable Law and under each Executory Contract and Lease from and after the Closing Date and, in the case of any Excluded Contract and any Non-Continuing Contract through the Rejection Effective Date for such Non-Continuing Contract.

(c) In connection with the assumption and assignment to Buyer of any Designated Contract that is executory pursuant to this Section 2.6, the cure amounts, as determined by the Bankruptcy Court, if any (such amounts, the "Cure Amounts"), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Designated Contracts, including any amounts payable to any landlord under any Lease that is a Designated Contract that relates to the period prior to the delivery of an Assumption Notice with respect thereto, shall be paid by Buyer within one (1) Business Day after the filing of the Assumption Notice with the Bankruptcy Court.

(d) Sellers shall use their respective reasonable best efforts to obtain one or more orders of the Bankruptcy Court, which order(s) shall be in form and substance reasonably acceptable to Buyer, and shall reflect the terms and conditions set forth herein, to assume and assign the Designated Contracts to Buyer on the terms set forth in this Section 2.6.

(e) The Parties shall use their commercially reasonable efforts, and cooperate with each other to obtain any Consent that is required to assume and assign to Buyer any Designated Contract; provided, however, that none of the Parties or any of their respective Affiliates shall be required to pay any consideration therefor other than filing, recordation or similar fees, which shall be borne by Buyer. To the extent that any such Consent is not obtained by the Closing Date, the applicable Seller so long as is in existence, shall use reasonable best efforts (at Buyer's sole cost) during the term of such Assumed Contract to (i) provide to Buyer the benefits under such Designated Contract, (ii) cooperate in any reasonable and lawful arrangement, including holding such Contract in trust for Buyer pending receipt of the required Consent, designed to provide such benefits to Buyer and (iii) enforce for the account of Buyer any rights of such Seller under such Designated Contract, including the right to elect to terminate such Designated Contract in accordance with the terms thereof upon the written direction of Buyer. Buyer shall reasonably cooperate with Sellers in order to enable Sellers to provide to Buyer the benefits contemplated by this Section 2.6(e).

(f) Notwithstanding the foregoing, a Contract shall not be a Designated Contract hereunder and shall not be assigned to, or assumed by, Buyer to the extent that such Contract (i) is rejected by a Seller in accordance with the terms hereof, deemed rejected under Section 365 of the Bankruptcy Code, or terminated by the other party thereto or terminates or expires in accordance with its terms on or prior to the Designation Deadline and is not continued or otherwise extended prior to or upon assumption and assignment, or (ii) requires a Consent of any Governmental Entity or other third party (other than, and in addition to, that of the Bankruptcy Court) in order to permit the assumption and assignment by Seller to Buyer of such Contract pursuant to Section 365 of the Bankruptcy Code, and no such Consent has been obtained prior to the Designation Deadline. In addition, a Permit shall not be assigned to, or assumed by, Buyer to the extent that such Permit requires a Consent of any Governmental Entity or other third party (other than, and in addition to, that of the Bankruptcy Court) in order to permit the sale or transfer to Buyer of Sellers' rights under such Permit, and no such Consent has been obtained prior to the Closing.

Section 2.7 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place remotely by electronic exchange of counterpart signature pages commencing at 11:00 a.m. local time on the date (the "Closing Date") that is (a) the third (3rd) Business Day after the date on which all conditions to the obligations of Sellers and Buyer to consummate the transactions contemplated hereby set forth in Article VII (other than conditions with respect to actions Sellers and/or Buyer will take at the Closing itself, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived; provided that if the date on which all such conditions are satisfied occurs less than sixty (60) days after entry of the Sale Order by the Bankruptcy Court, Buyer may elect to postpone the Closing Date to any date up

until the date that is the third (3rd) Business Day after the date that is sixty (60) days after entry of the Sale Order by the Bankruptcy Court; provided that as a condition precedent to such extension, Buyer shall make available or commit to fund an additional amount under the DIP Financing, including pursuant to any extension or amendment thereto, or any additional debtor-in-possession financing reasonably sufficient to fund such delay; provided, further, that Buyer may in no event elect to postpone the Closing Date to any date (i) that would reasonably be likely to cause a default under the DIP Financing or (ii) that is later than (A) the one hundred twentieth (120th) day after the Petition Date or (B) the "Maturity Date" as provided from time to time in the DIP Financing; or (b) at such other time or on such other date as shall be mutually agreed upon by Sellers and Buyer prior thereto. The Closing shall be deemed to have occurred at 12:01 a.m. (prevailing Eastern time) on the Business Day that is the Closing Date.

Section 2.8 Deliveries at Closing.

(a) At the Closing, Sellers shall deliver to Buyer the following documents and other items, duly executed by Sellers, as applicable:

(i) one or more Bills of Sale in form and substance mutually acceptable to the Parties ("Bill of Sale");

(ii) one or more Assignment and Assumption Agreements in form and substance mutually acceptable to the Parties (each, an "Assignment and Assumption Agreement");

(iii) the Cash Payment by wire transfer of immediately available funds to one or more bank accounts designated by Sellers or the designated third party recipients thereof in writing to Buyer, to the extent such Cash Payment is not withheld in accordance with Section 2.1(a)(III) above;

(iv) instruments of assignment substantially in the forms of the Trademark Assignment Agreement, the Copyright Assignment and the Domain Assignment Agreement for each registered trademark, registered copyright and domain name, respectively, transferred or assigned hereby and for each pending application therefor (collectively, the "Intellectual Property Assignments");

(v) a copy of the Sale Order as entered by the Bankruptcy Court;

(vi) a certificate signed by an authorized officer of EO to the effect that each of the conditions specified in Sections 7.1(a), 7.1(b) and 7.1(f) is satisfied in accordance with the terms thereof;

(vii) with respect to each parcel of Owned Real Property, a limited general warranty deed in the form customarily used in the relevant jurisdiction; and

(viii) a non-foreign affidavit from each Seller (or, in the case of a Seller that is disregarded as separate from its owner for federal tax purposes, its owner for such purposes) dated as of the Closing Date, sworn under penalty of perjury

and in form and substance required under Treasury Regulations issued pursuant to Section 1445 of the IRC stating that each such Seller (or such owner) is not a "foreign person" as defined in Section 1445 of the IRC (a "FIRPTA Affidavit").

(b) At the Closing, Buyer shall deliver to Sellers or the designated third party recipients the following documents, cash amounts and other items, duly executed by Buyer, as applicable:

(i) the Assignment and Assumption Agreement(s);

(ii) a certificate to the effect that each of the conditions specified in Section 7.2(a) and 7.2(b) is satisfied in accordance with the terms thereof;

(iii) a customary payoff letter in form and substance reasonably satisfactory to Sellers evidencing that all of the outstanding DIP Financing Obligations have been satisfied in full by Buyer and that all Liens thereunder against Sellers and the Excluded Assets have been fully discharged and released;

(iv) a customary payoff letter in form and substance reasonably satisfactory to Sellers evidencing that all of the outstanding First Lien Financing Obligations have been satisfied in full by Buyer and that all Liens thereunder against Sellers and the Excluded Assets have been fully discharged and released; and

(v) a letter evidencing that all of the outstanding Second Lien Financing Obligations, including any portion of the Second Lien Financing Obligations not credit bid in the Chapter 11 Cases as provided for in Section 2.5(a), have been satisfied in full and/or assumed by Buyer and that all Liens thereunder against Sellers and the Excluded Assets have been fully discharged and released.

Section 2.9 Withholding. Notwithstanding anything contained herein to the contrary, Buyer will be entitled to deduct, withhold and remit (or cause to be deducted, withheld and remitted) to the appropriate Governmental Entity from the Purchase Price (or any adjustment thereto) and any other payments contemplated by this Agreement such amounts as Buyer, in its reasonable discretion, determines are required to be deducted, withheld and remitted with respect to the making of such payment under the IRC, or any provision of state, local or foreign Tax law (including as a result of the failure of Sellers to deliver a FIRPTA Affidavit). To the extent that amounts are deducted, withheld or remitted to the appropriate Governmental Entity pursuant to this Section 2.9, such amounts will be treated for all purposes of this Agreement or otherwise as having been paid to Sellers.

Section 2.10 Allocation. As promptly as reasonably practicable after the Closing Date, and in any event within one hundred twenty (120) days, Buyer shall in good faith prepare and deliver to Sellers an allocation of the Purchase Price (and all capitalized costs and other relevant items) among the Acquired Assets in accordance with Section 1060 of the IRC and the Treasury Regulations thereunder (and any similar provision of United States state or local or non-United

States Law, as appropriate) (the "Allocation"). The Allocation shall be considered final and binding on Sellers and Buyer unless Sellers convey written objections to Buyer within fifteen (15) Business Days of receipt of the Allocation. Buyer and Sellers shall endeavor in good faith to resolve any such objections within ten (10) Business Days following the delivery of such objections, and if resolution of such objections is reached, the Allocation (as modified by such resolution) shall immediately become binding. If Buyer and Sellers are unable to completely resolve any such objection, the unresolved objections shall be resolved by a recognizable, reputable, and impartial certified public accounting firm that is mutually acceptable to Buyer and Sellers and the Allocation as modified and resolved by such accounting firm shall become binding. Buyer and Sellers shall report, act and file Tax Returns (including Internal Revenue Service Form 8594) in all respects and for all purposes, including accounting purposes, consistent with the Allocation. Neither Buyer nor Sellers shall take any position (whether in audits, Tax Returns or otherwise) which is inconsistent with the Allocation unless required to do so by applicable Law. In the event that any of the allocations set forth in the Allocation are disputed by a Governmental Entity, the party receiving notice of such dispute shall promptly notify and consult with the other party concerning the resolution of such dispute.

Section 2.11 Non-Continuing Stores.

(a) As of the Closing, any of Sellers' store locations with respect to which the associated Lease has been designated by Buyer as a Designated Contract in accordance with Section 2.6(b) shall be deemed to have been classified as a Continuing Store.

(b) (i) From and after the Closing Date, Buyer shall be solely responsible for winding down the Non-Continuing Stores, and Buyer shall have sole and complete authority, in its sole discretion, to oversee, manage, direct the operation of, control the day to day activities of, and make and implement all business decisions with respect to, each Non-Continuing Store, and Buyer shall receive all proceeds generated by operation or liquidation of any such Non-Continuing Store ("Non-Continuing Store Proceeds"). Buyer shall pay, and shall be solely responsible for, any and all Operational Expenses of Sellers that are directly related to the operation of such Non-Continuing Stores, including the obligations for compensation and benefits in respect of Selected Employees set forth in Section 6.4 and the costs and expenses of any liquidator appointed in connection with such liquidation. For the avoidance of doubt, the Operational Expenses owed by Sellers (and to be paid by Buyer) as described above shall include those Operational Expenses that would otherwise be owed by Sellers that accrue at any point during the period from the Petition Date until, as applicable, (A) the Rejection Effective Date of the Lease associated with such store has occurred and Buyer has exited the store premises and turned possession of the store premises over to the landlord, the condition of such store premises to be turned over in accordance with the Lease associated with such store premises and (B) Buyer has ceased using Seller's bank accounts and Seller's credit card facilities related to such store (collectively, a "Store Closing").

(ii) To the extent deemed necessary by Buyer:

(A) Buyer may establish new accounts (the "Buyer Accounts") for the deposit of the Non-Continuing Store Proceeds and the

disbursement of amounts payable to Sellers under this Section 2.11(b)(ii), and Sellers shall promptly upon Buyer's reasonable request execute and deliver all necessary documents to open and maintain such accounts; provided, however, that Buyer may elect to continue to use the Designated Deposit Accounts as the Buyer Accounts. The Buyer Accounts shall be dedicated solely to the deposit of the Non-Continuing Store Proceeds and the disbursement of amounts payable under this Section 2.11(b)(ii), and Buyer shall exercise sole signatory authority and control with respect to the Buyer Accounts. Sellers shall not be responsible for, and Buyer shall pay as an Operational Expense hereunder, all bank fees and charges, including wire transfer charges, related to the Buyer Accounts. Upon Buyer's designation of the Buyer Accounts, all Non-Continuing Store Proceeds, including credit card proceeds, shall be deposited into the Buyer Accounts. During the period between the Closing and the date Buyer establishes the Buyer Accounts, if any, all Non-Continuing Store Proceeds, including credit card proceeds, shall be collected by Buyer and deposited on a daily basis into depository accounts (as determined by Buyer) for the Non-Continuing Stores, which accounts shall be designated solely for the deposit of Non-Continuing Store Proceeds, including credit card proceeds, and the disbursement of amounts payable by Buyer under this Section 2.11(b)(ii) (the "Designated Deposit Accounts"). Notwithstanding anything to the contrary contained herein, Sellers shall have no ownership interest in, and shall not be entitled to withdraw any, Non-Continuing Store Proceeds.

(B) Buyer shall have the right to use Sellers' credit card facilities, including credit card terminals and processors, credit card processor coding, the merchant identification numbers and existing bank accounts, for Non-Continuing Store Proceeds derived from credit card purchases, including Sellers' proprietary credit card. In the event that Buyer elects to use Sellers' credit card facilities, Sellers shall process credit card transactions on behalf of Buyer and for Buyer's account, applying customary practices and procedures. Without limiting the foregoing, Sellers shall reasonably cooperate with Buyer to download data from all credit card terminals in the Non-Continuing Stores each day and to effect settlement with Sellers' credit card processors, and shall take such other actions as are reasonably necessary to process credit card transactions on behalf of Buyer under Sellers' merchant identification numbers. At Buyer's request, Sellers shall reasonably cooperate with Buyer to establish Sellers' merchant identification numbers under Buyer's name to enable Buyer to process all Non-Continuing Store Proceeds derived from credit card purchases for Buyer's account.

(iii) For the avoidance of doubt, nothing contained in this Section 2.11(b) shall require Buyer to become, or to be considered or deemed, the employer of any person, and Buyer shall not become, or be considered or deemed

to be, the employer of any person, unless and until Buyer employs such a person in accordance with Section 6.4.

(iv) Buyer may assign any or all of its rights and obligations under this Section 2.11(b) to any Person; provided that Buyer remains liable for performance under this Section 2.11(b).

(c) Buyer shall be responsible for all Liabilities to the extent arising from the operation by Buyer of any of the Non-Continuing Stores or the Continuing Stores after the Closing Date, including (i) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers by or at the direction of Buyer; (ii) any claims by any party engaged by Buyer as an employee or independent contractor arising out of such employment; (iii) the gross negligence (including omissions) or willful misconduct of or at the direction of Buyer, its officers, directors or employees; and (iv) violations of Law by or at the direction of Buyer, its officers, directors or employees.

ARTICLE III SELLERS' REPRESENTATIONS AND WARRANTIES

Each of the Sellers jointly and severally represents and warrants to Buyer that except as set forth in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"):

Section 3.1 Organization of Sellers; Good Standing.

(a) Each Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of its formation.

(b) Each Seller has all requisite limited liability company or similar power and authority to own, lease and operate its assets and to carry on the Business as currently conducted.

(c) Each Seller is duly authorized to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or operation of the Acquired Assets or the conduct of the Business requires such qualification, except for failures to be so authorized or be in such good standing, as would not, individually or in the aggregate, have a Material Adverse Effect.

(d) None of the Sellers has any Subsidiaries (other than other Sellers, if applicable).

Section 3.2 Authorization of Transaction. Subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing:

(a) each Seller has all requisite corporate power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder; the execution, delivery and performance of this Agreement and all Related Agreements to which a Seller is a party have been duly authorized by such Seller and no other corporate action on the part of any Seller is

necessary to authorize this Agreement or the Related Agreements to which it is party or to consummate the transactions contemplated hereby or thereby; and

(b) this Agreement has been duly and validly executed and delivered by each Seller, and, upon their execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which any Seller is a party will have been duly and validly executed and delivered by each such Seller, as applicable. Assuming that this Agreement constitutes a valid and legally-binding obligation of Buyer, this Agreement constitutes the valid and legally-binding obligations of Sellers, enforceable against Sellers in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming, to the extent that it is a party thereto, that each Related Agreement constitutes a valid and legally-binding obligation of Buyer, each Related Agreement to which any Seller is a party, when executed and delivered, constituted or will constitute the valid and legally-binding obligations of such Seller, as applicable, enforceable against Sellers, as applicable, in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.3 Noncontravention; Consents and Approvals.

(a) Subject to compliance with the HSR Act and any applicable antitrust and/or competition Laws of other jurisdictions, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, including the assignments and assumptions of Contracts pursuant to Sections 2.6 and 2.11, will, subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing, (i) conflict with or result in a breach of the certificate of incorporation, certificate of formation, by-laws, operating agreement or other organizational documents of any Seller, (ii) violate any Law to which any Seller is, or its respective assets or properties are, subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any Contract to which any Seller is a party or by which it is bound or to which any of the Acquired Assets is subject, after giving effect to the Sale Order and any applicable order of the Bankruptcy Court authorizing the assignment and assumption of any such Contract that is a Designated Contract hereunder, and, in the case of clause (ii) or (iii), for such conflicts, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Subject to compliance with the HSR Act and any applicable antitrust and/or competition Laws of other jurisdictions, and the Sale Order having been entered and still being in effect (and not subject to any stay pending appeal at the time of Closing), no Consent, notice or filing is required to be obtained by any Seller from, or to be given by any Seller to, or made by any Seller with, any Governmental Entity in connection with the execution, delivery and performance by any Seller of this Agreement or any Related Agreement. After giving effect to the Sale Order and any applicable order of the Bankruptcy Court authorizing the assignment and assumption of any Contract that

is a Designated Contract hereunder, no Consent, notice or filing is required to be obtained by any Seller from, or to be given by any Seller to, or made by any Seller with, any Person in connection with the execution, delivery and performance by any Seller of this Agreement or any Related Agreement, except where the failure to give notice, file or obtain such authorization, Consent or approval would not, individually or in the aggregate, be material to the Business as a whole.

Section 3.4 Compliance with Laws. Sellers are in compliance with all Laws applicable to the Business or the Acquired Assets, except in any such case where the failure to be in compliance would not have a Material Adverse Effect, and no Seller has received any written notice within the past twelve months relating to violations or alleged violations or material defaults under any Decree or any Permit, in each case, with respect to the Business, except in respect of violations, alleged violations or material defaults that would not reasonably be expected to have a Material Adverse Effect.

Section 3.5 Title to Acquired Assets. Sellers, as of the Closing, have good and valid title to, or, in the case of leased assets, have good and valid leasehold interests in, the Acquired Assets, free and clear of all Liens (except for Permitted Liens). At the Closing or such time as title is conveyed under Section 2.6, Sellers will convey, subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing, good and valid title to, or valid leasehold interests in, all of the Acquired Assets, free and clear of all Liens (except for Permitted Liens), to the fullest extent permissible under section 363(f) of the Bankruptcy Code. Subortis Retail Financing, LLC, a Delaware limited liability company ("SRF"), does not own any assets used in the Business.

Section 3.6 Contracts.

(a) Section 3.6 of the Disclosure Schedule includes an accurate list of the material Contracts as of the date hereof to which a Seller is a party with respect to the Business and that are used in or related to the Business, the Acquired Assets or the Assumed Liabilities, including all Contracts to which a Seller is a party with respect to the Business that is listed below, and Sellers have made available, or within ten (10) days of the date hereof shall make available, true and complete copies of all such Contracts, including all amendments thereto, set forth on Section 3.6 of the Disclosure Schedule (all Contracts required to be listed on Section 3.6 of the Disclosure Schedule, together with all Leases, the "Material Contracts"):

(i) any Contract pursuant to which a Seller purchased more than \$100,000 of products, materials, supplies, goods, equipment, or other assets or services during the 12 months prior to the date hereof;

(ii) any Contract with any Affiliate or current or former officer or director of a Seller or otherwise entered into not on an arms' length basis;

(iii) any Contract pursuant to which Seller grants to any Person any rights to represent a Seller or act as agent for a Seller in connection with the marketing, distribution, or sale of any product;

(iv) any Contract for the sale of any of the assets of the Business, other than in the Ordinary Course of Business;

(v) any Contract containing a covenant that restricts Seller or any Affiliate of Seller from engaging in any line of business, conducting the Business in any geographic area, competing with any Person, or hiring any Person;

(vi) any Contract concerning confidentiality (other than confidentiality obligations in customer agreements, course content acquisition or author agreements, or other agreements entered into in the Ordinary Course of Business),

(vii) any Contracts relating to incurrence of Indebtedness or the making of any loans;

(viii) any Contracts with any Governmental Entity; and

(ix) any contracts for the employment of any individual on a full-time, part-time, or consulting or other basis.

(b) Except as set forth on Section 3.6(b) of the Disclosure Schedule, each Material Contract is in full force and effect and is the legal, valid and binding obligation of the applicable Seller and, to the Knowledge of Sellers, each of the other parties thereto, enforceable in accordance with the terms thereof, except to the extent that its enforceability may be subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally, general equitable principles. To the Knowledge of Sellers, all of the covenants to be performed by any other party to any Material Contract have been fully performed in all material respects and no such other party is otherwise in material breach of a Material Contract.

Section 3.7 Intellectual Property.

(a) Section 3.7 of the Disclosure Schedule sets forth a true and complete list of all Registered Intellectual Property that is owned by any Seller and used in or related to the Business. All such Registered Intellectual Property is subsisting and, to Sellers' Knowledge, valid and enforceable, and is not subject to any outstanding Decree adversely affecting Sellers' use thereof or rights thereto.

(b) To Sellers' Knowledge, the operation of the Business as currently conducted does not infringe, constitute the misappropriation of or otherwise violate the Intellectual Property of any other Person.

(c) As of the date hereof, no Litigation is currently pending or, to Sellers' Knowledge, threatened in writing against any Seller and no Seller has received any written notice in the past twelve (12) months (including cease and desist letters and written invitations to take a license) that (i) challenges the validity, ownership, registerability, enforceability or use of any material Intellectual Property owned by any Seller in any material respect or (ii) alleges that the operation of the Business infringes,

constitutes the misappropriation of or otherwise violates the Intellectual Property of any other Person in any material respect.

(d) To Sellers' Knowledge, in the past twelve (12) months, no Person has gained unauthorized access to the Technology that is material to the Business.

(e) Sellers have implemented appropriate policies and procedures to protect and maintain in all material respects their trade secrets and confidential information, including by requiring the execution of confidentiality and non-disclosure agreements prior to disclosing confidential information to any Person (and Sellers have not received notice that, nor to the Sellers' Knowledge are there any facts that, indicate that any person is in violation or breach of any such agreements), by marking materials as confidential, by implementing password protection and other authentication mechanisms, and by restricting physical access to sensitive information, data and processes.

(f) There have been no material failures, breakdowns, outages, or unavailability of any of Sellers' computer systems in twelve (12) months prior to Closing. Sellers (i) have taken all commercially reasonable steps under the circumstances to protect in all material respects the confidentiality, integrity and security of the systems and all information stored or contained therein or transmitted thereby from any unauthorized intrusion, breach, use, access, interruption or modification by any person, and (ii) maintain (and regularly test) in all material respects business continuity and disaster recovery plans for the continuance of their businesses in the event of any unplanned failure, breakdown, outage or unavailability of the Sellers' computer systems.

Section 3.8 Litigation. As of the date of this Agreement, except as set forth on Section 3.8 of the Disclosure Schedule, there is no Litigation pending or, to Sellers' Knowledge, threatened in writing, before any Governmental Entity brought by or against any Seller that, if adversely determined, would be material to the Business or materially impair Sellers' ability to consummate the transactions contemplated hereby or by the Related Agreements.

Section 3.9 Environmental, Health and Safety Matters.

(a) Sellers are in compliance with all applicable Environmental, Health and Safety Requirements with respect to the Business, the Owned Real Property and Leased Real Property, except in any such case where the failure to be in compliance would not have a Material Adverse Effect, and there are no Liabilities under any Environmental, Health and Safety Requirements with respect to the Business which would have a Material Adverse Effect.

(b) No Seller has received any written notice or report regarding any violation of Environmental, Health and Safety Requirements or any Liabilities relating to the Business, any Owned Real Property or any Leased Real Property arising under Environmental, Health and Safety Requirements which violation has not been appropriately addressed and/or cured in accordance with such Environmental, Health and Safety Requirements. There are no Decrees outstanding, or any Litigations pending or, to Sellers' Knowledge, threatened in writing, relating to compliance with or Liability under

any Environmental, Health and Safety Requirements affecting the Business, any Owned Real Property or any Leased Real Property, except in any such case where the failure to be in compliance would not have a Material Adverse Effect.

(c) To Sellers' Knowledge, there has been no release, threatened release, contamination or disposal of Hazardous Substances at any Owned Real Property or Leased Real Property, or waste generated by any Seller or any legally responsible predecessor corporation thereof, that has given or could reasonably be expected to give rise to any Liability under any Environmental, Health and Safety Requirement which would have a Material Adverse Effect.

(d) Sellers have all material Permits which are required under applicable Environmental, Health and Safety Requirements. Sellers have delivered to Buyer true and complete copies of all such material Permits.

Section 3.10 Employment Matters. No Seller is a party to or bound by any collective bargaining agreement covering the Current Employees (as determined as of the date of this Agreement), nor is there any ongoing strike, walkout, work stoppage, or other material collective bargaining dispute affecting any Seller with respect to the Business. To Sellers' Knowledge, there is no organizational effort being made or threatened by or on behalf of any labor union with respect to the Current Employees (as determined as of the date of this Agreement).

Section 3.11 Employee Benefit Plans.

(a) Section 3.11 of the Disclosure Schedule lists each material Employee Benefit Plan sponsored, maintained or contributed to by Sellers or any ERISA Affiliate, or with respect to which Sellers or any ERISA Affiliate has or may have any actual or contingent liability or obligation.

(b) Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the IRC, has received a favorable determination letter from the United States Internal Revenue Service or may rely on a favorable opinion letter issued by the United States Internal Revenue Service.

(c) No Employee Benefit Plan is, or was within the past six (6) years, (i) a defined benefit plan subject to Section 412 of the Code and/or Title IV of ERISA; (ii) a multi-employer plan as described in Section 4001(a)(3) of ERISA; (iii) a multiple employer plan subject to Section 413(c) of the Code; or (iv) an employee welfare benefit plan or other arrangement that provides for medical or death benefits with respect to any employee or former employee of Sellers or their predecessors after termination of employment, except as required under Section 4980B of the Code or Part 6 of Title I of ERISA or other applicable Law.

(d) With respect to each Employee Benefit Plan: (i) each has been administered in all material respects in compliance with its terms and with all applicable Laws, including, but not limited to, ERISA and the Code; (ii) no actions, suits, claims or disputes are pending, or to Sellers' Knowledge threatened in writing; (iii) no audits, inquiries, reviews, proceedings, claims, or demands are pending with any governmental

or regulatory agency; (iv) all premiums, contributions, or other payments required to have been made by law or under the terms of any Employee Benefit Plan or any contract or agreement relating thereto as of the Closing Date have been made; (v) all material reports, returns and similar documents required to be filed with any governmental agency or distributed to any plan participant have been duly and timely filed or distributed; (vi) no "prohibited transaction" has occurred within the meaning of the applicable provisions of ERISA or the Code; and (vii) there have been no acts or omissions by any Seller or any ERISA Affiliate that have given or could give rise to any fines, penalties, taxes or related charges under Sections 502 or 4071 of ERISA or Section 511 or Chapter 43 of the Code, or under any other applicable Law, for which any Seller or any ERISA Affiliate may be liable.

Section 3.12 Real Property.

- (a) Except for the Owned Real Property, Sellers do not own any real property.
- (b) Section 3.12(b) of the Disclosure Schedule sets forth the address of each Leased Real Property, and a true and complete list of all Leases for such Leased Real Property. Sellers have made available, or within ten (10) days of the date hereof shall make available, to Buyer true and complete copies of such Leases and all other material Contracts or instruments entered into or delivered in connection therewith, as amended through the date hereof.
- (c) Sellers have not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in any Lease.
- (d) Sellers have all material Permits required in connection with the operation of all Leased Real Property.
- (e) All Leased Real Property is supplied with utilities and other services necessary for the operation of said properties.

Section 3.13 Insurance. Section 3.13(a) of the Disclosure Schedule contains a list, as of the date hereof, of all Insurance Policies. The term "Insurance Policies" does not include policies of insurance that fund or relate to any Employee Benefit Plan. All of the Insurance Policies are in full force and effect and no written notice of cancellation or termination has been received by Sellers with respect to any of such Insurance Policies. All premiums due and payable by Sellers or their Affiliates under the material Insurance Policies prior to the date hereof have been duly paid. Except as disclosed on Section 3.13(b) of the Disclosure Schedule, there is no material claim pending under any of the material Insurance Policies.

Section 3.14 Brokers' Fees. Except for agreements with Lincoln Partners Advisors LLC and RCS Real Estate Advisors, no Seller has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated to pay.

Section 3.15 Tax Matters.

(a) Each Seller has timely filed all material Tax Returns that it (or its owner for tax purposes) was required to file. All such Tax Returns were correct and complete in all respects and were prepared in substantial compliance with all applicable Laws and regulations. All material Taxes owed by each Seller (or its owner for tax purposes) (whether or not shown or required to be shown on any Tax Return) have been paid. No Seller (or its owner for tax purposes) currently is the beneficiary of any extension of time within which to file any Tax Return. No claim has been made by any Governmental Entity in any jurisdiction where a Seller (or its owner for tax purposes) does not file Tax Returns that such Seller (or its owner for tax purposes) is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of Sellers.

(b) Each Seller (or its owner for tax purposes) has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) There is no dispute or claim concerning any Tax Liability of any Seller (or its owner for tax purposes) either: (i) claimed or raised by any authority in writing or (ii) as to which any of Sellers (or their owner for tax purposes) and the directors and officers (and employees responsible for Tax matters) of Sellers has Knowledge based upon personal contact with any agent of such authority.

(d) Sellers (or their owner for tax purposes) have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(e) No Seller (or their owner for tax purposes) is a party to any Tax allocation or sharing agreement. No Seller (or its owner for tax purposes) has any Liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by contract, or otherwise.

(f) No Seller (or its owner for tax purposes) will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date.

(g) No Seller (or its owner for tax purposes) has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the IRC or Section 361 of the IRC.

(h) No Seller (or its owner for tax purposes) is or has been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the IRC and Treasury Regulations Section §1.6011-4(b).

(i) Each Seller (or its owner for tax purposes) has duly and timely collected and remitted all sales, use, excise, or similar Taxes related or attributable to the Acquired Assets in accordance with applicable Law, and none of the Sellers has any liability for the Taxes of any third Person with respect to the Acquired Assets as a transferee or successor, by contract or otherwise.

Notwithstanding anything to the contrary herein, the representations and warranties in this Section 3.15 and Section 3.11 are the sole and exclusive representations with respect to Tax matters.

Section 3.16 Personally Identifiable Information. Sellers' policies in effect as of the Petition Date regarding personally identifiable information permit the sharing of personally identifiable information with Buyer in connection with a sale of the assets of Sellers.

Section 3.17 No Other Representations or Warranties. Except for the representations and warranties contained in this Article III (as qualified, amended, supplemented and modified by the Disclosure Schedule), neither a Seller nor any other Person makes (and Buyer is not relying upon) any other express or implied representation or warranty with respect to Sellers, the Business, the Acquired Assets, including the value, condition or use of any Acquired Asset, the Assumed Liabilities or the transactions contemplated by this Agreement, and Sellers disclaim any other representations or warranties, whether made by Sellers, any Affiliate of Sellers or any of their respective officers, directors, employees, agents or Representatives. Except for the representations and warranties contained in this Article III (as qualified, amended, supplemented and modified by the Disclosure Schedule), each Seller (i) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition of the Acquired Assets, including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, or of the probable success or profitability of the ownership, use or operation of the Business or the Acquired Assets by Buyer after the Closing, and (ii) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement or information made, communicated or furnished (orally or in writing) to Buyer or its Affiliates or Representatives, including any opinion, information, projection or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant or Representative of any Seller or any of their Affiliates. The disclosure of any matter or item in the Disclosure Schedule shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material or that such matter would result in a Material Adverse Effect.

ARTICLE IV BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Sellers as follows:

Section 4.1 Organization of Buyer. Buyer is a private limited company duly organized, validly existing and in good standing under the Laws of London and Wales and has all requisite private limited company power and authority to own, lease and operate its assets and to carry on its business as now being conducted.

Section 4.2 Authorization of Transaction.

(a) Buyer has full private limited company power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder.

(b) The execution, delivery and performance of this Agreement and all other Related Agreements to which Buyer is a party have been duly authorized by Buyer, and no other private limited company action on the part of Buyer is necessary to authorize this Agreement or the Related Agreements to which it is a party or to consummate the transactions contemplated hereby or thereby.

(c) This Agreement has been duly and validly executed and delivered by Buyer, and, upon their execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which Buyer is a party will have been duly and validly executed and delivered by Buyer. Assuming that this Agreement constitutes a valid and legally-binding obligation of Sellers, this Agreement constitutes a valid and legally-binding obligation of Buyer, enforceable against Buyer in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming, to the extent that they are a party thereto, that each Related Agreement constitutes a valid and legally-binding obligation of Sellers, each Related Agreement to which Buyer is a party, when executed and delivered, constituted or will constitute the valid and legally-binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.3 Noncontravention. Subject to compliance with the HSR Act and any applicable antitrust and/or competition Laws of other jurisdictions, neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, including the assignments and assumptions referred to in Article II will (i) conflict with or result in a breach of the certificate of incorporation or bylaws, or other organizational documents, of Buyer, (ii) subject to any Consents required to be obtained from any Governmental Entity, violate any Law to which Buyer is, or its assets or properties are subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Contract to which Buyer is a party or by which it is bound, except, in the case of either clause (ii) or (iii), for such conflicts, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair to the ability of Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements. Subject to compliance with the HSR Act and any applicable antitrust and/or competition Laws of other jurisdictions, Buyer is not required to give any notice to, make any filing with, or obtain any authorization, Consent or approval of any Governmental Entity in order for the Parties to consummate the transactions contemplated by this Agreement or any of the Related Agreement, except where the failure to give notice, file or obtain such authorization, Consent or approval would not, individually or in the aggregate,

reasonably be expected to prevent, materially delay or materially impair to the ability of Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements.

Section 4.4 Financial Capacity. (a) Buyer has, as of the date hereof and will continue to have at all times prior to and at the Closing, sufficient cash or other sources of immediately available funds to enable Buyer to make payment of all cash amounts required to be paid by Buyer on and after the Closing, including the Cure Amounts and the pay-off of the First Lien Financing Facility and to pay all fees and expenses required to be paid by Buyer in connection with the transactions contemplated hereby; and (b) Buyer has, as of the date hereof, and Buyer or its designee under this Agreement will have as of the Closing, good and valid title to the Second Lien Financing Obligations of Sellers and the DIP Financing Obligations of Sellers, free and clear of all Liens.

Section 4.5 Adequate Assurances Regarding Designated Contracts. Buyer as of the Closing will be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Designated Contracts.

Section 4.6 Good Faith Purchaser. Buyer is a "good faith" purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder. Buyer is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to all of the Acquired Assets. Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

Section 4.7 Brokers' Fees. Neither Buyer nor any of its Affiliates has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated to pay, other than in connection with the Expense Reimbursement payable in accordance with Section 8.3(b) hereof.

Section 4.8 Condition of Business. Buyer hereby acknowledges and agrees that notwithstanding anything expressed or implied herein to the contrary, except as expressly set forth in Article III of this Agreement, Sellers, including each of their directors, officers, employees, agents, shareholders, Affiliates, consultants, counsel, accountants and other representatives, make no express or implied representations or warranties whatsoever, including any representation or warranty as to physical condition or value of any of the Acquired Assets or the future profitability or future earnings performance of the Business. Buyer will accept the Acquired Assets at the Closing and assume the Assumed Liabilities at the Closing "AS IS," "WHERE IS" AND "WITH ALL FAULTS".

ARTICLE V PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing (except as otherwise expressly stated to apply to a different period):

Section 5.1 Certain Efforts; Cooperation.

(a) Subject to Sellers' right to solicit and consummate a Competing Transaction in accordance with Section 5.10, each of the Parties shall use its commercially reasonable efforts, subject to the orders of the Bankruptcy Court, to make effective the transactions contemplated by this Agreement on or prior to the End Date, including satisfaction, but not waiver, of the conditions to the obligations of the Parties to consummate the transactions contemplated hereby set forth in Article VII, except as otherwise provided in Section 5.2.

(b) Sellers shall remain in material compliance with all privacy policies of the Sellers that are in place as of the date of this Agreement and shall cooperate with Buyer to ensure that the transfer of all personally identifiable information to Buyer in connection with the transactions contemplated by this Agreement will be consistent with such privacy policies.

(c) On and after the Closing, Sellers and Buyer shall use their commercially reasonable efforts to take, or cause to be taken by themselves or any of their respective Affiliates, all appropriate action, to do or cause to be done by Sellers and Buyer or any of their respective Affiliates all things necessary, proper or advisable under applicable Law, and to execute and deliver such documents, ancillary agreements and other papers as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated hereby, including in order to more effectively vest in Buyer all of Sellers' right, title and interest to the Acquired Assets, free and clear of all Liens (other than Permitted Liens expressly contemplated by the Sale Order).

(d) From and after the Closing Date, Sellers agree to reasonably cooperate, and shall not interfere, with Buyer or its Representatives with respect to the operation of the Continuing Stores or Non-Continuing Stores. From and after the Closing Date, no Seller shall voluntarily convert its Chapter 11 Bankruptcy Case to a Chapter 7 bankruptcy case, or otherwise cause a liquidation or equivalent event with respect to any Seller, without providing Buyer with at least twenty (20) days' prior written notice.

(e) Sellers and Buyer shall cooperate and coordinate to develop a liquidation plan (the "Liquidation Plan") to be mutually agreed upon by the Parties no later than two (2) weeks from the date hereof, with the timing of such deliverables as set forth therein to be subject to further discussion between the Parties as necessary. Such Liquidation Plan will include (i) the implementation of the liquidation of the Business at the Non-Continuing Stores and (ii) the implementation of the Non-Continuing Contracts, each in accordance with the Liquidation Plan, and (iii) the coordination of advisors and liquidators to oversee the implementation of the Liquidation Plan. Sellers shall obtain Buyer's prior written consent in accordance with the payment of ordinary course payables, store closings and other actions to be taken in furtherance of the Liquidation Plan.

Section 5.2 Notices and Consents.

(a) To the extent required by the Bankruptcy Code or the Bankruptcy Court, Sellers shall give any notices to third parties, and each Seller shall use its reasonable best efforts to obtain any third party consents or sublicenses.

(b) Sellers and Buyer shall cooperate with one another (a) in promptly determining whether any filings are required to be or should be made or Consents, approvals, permits or authorizations are required to be or should be obtained under any applicable Law in connection with this Agreement and the transactions contemplated hereby and (b) in promptly (which, in the case of any filing required under the HSR Act shall mean within twenty (20) Business Days after the date hereof) making any such filings, furnishing information required in connection therewith and seeking to obtain timely any such Consents, permits, authorizations, approvals or waivers.

(c) Subject to the terms and conditions set forth in this Agreement and applicable Law, Buyer and Sellers shall (i) promptly notify the other Party of any communication to that Party from any Governmental Entity in respect of any filing, investigation or inquiry concerning this Agreement or the transactions contemplated by this Agreement, and (ii) if practicable, permit the other Party the opportunity to review in advance all the information relating to Sellers and their respective Subsidiaries or Buyer and its Affiliates, as the case may be, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the Agreement and the transactions contemplated by this Agreement and incorporate the other Party's reasonable comments, (iii) not participate in any meeting or discussion with any Governmental Entity in respect of any filing, investigation, or inquiry concerning this Agreement and the transactions contemplated by this Agreement unless it consults with the other Party in advance, and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to attend, and (iv) furnish the other Party with copies of all correspondences, filings, and written communications between them and their Subsidiaries and Representatives, on the one hand, and any Governmental Entity or its respective staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement, provided, however, that any materials or information provided pursuant to any provision of this Section 5.2(c) may be redacted before being provided to the other Party (A) to remove references concerning the valuation of Buyer, Sellers, or any of their Subsidiaries, (B) as necessary to comply with contractual arrangements, and (C) as necessary to address reasonable privilege or confidentiality issues. Sellers and Buyer may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 5.2(c) as "Outside Counsel Only." Such materials and the information contained therein shall be given only to the outside legal counsel and any retained consultants or experts of the recipient and shall not be disclosed by such outside counsel or consultant to employees, officers or directors of the recipient, unless express written permission is obtained in advance from the source of the materials (Sellers or Buyer, as the case may be). Each of Sellers and Buyer shall promptly notify the other Party if such Party becomes aware that any third party has any objection to the

Agreement on antitrust or anti-competitive grounds. Buyer shall bear all filing fees in connection with any filings made pursuant to this Section 5.2.

Section 5.3 Bankruptcy Actions.

(a) Within one (1) Business Day of the date of this Agreement, each Seller shall have filed or caused to be filed a petition for relief under the Bankruptcy Code on behalf of such Seller with the Bankruptcy Court. On or prior to February 10, 2017, the Sellers shall have filed a motion or motions (the "Sale Motion") in the Chapter 11 Cases requesting that the Bankruptcy Court (i) enter the Bidding Procedures and APA Approval Order and (ii) schedule a hearing on the Sale Motion for entry of the Sale Order. The Sellers shall serve the Sale Motion within three (3) Business Days of the Petition Date. Thereafter, Sellers and Buyer shall take all actions as may be reasonably necessary to cause each of (i) the Bidding Procedures and APA Approval Order and (ii) the Sale Order to be issued, entered (within 30 days of the Petition Date with respect to the Bidding Procedures and APA Approval Order and 60 days with respect to the Sale Order), and become a Final Order, including furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court. For the avoidance of doubt, the Sellers may seek approval of the Bidding Procedures and APA Approval Order and Sale Order in a single motion.

(b) Sellers shall provide appropriate notice of the hearings on the Sale Motion, as is required by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure to all Persons entitled to notice, including all Persons that have expressed interest in buying the Acquired Assets, all Persons that have asserted Liens in the Acquired Assets, all parties to the Designated Contracts and all Taxing (other than as provided in Section 5.8), environmental authorities in jurisdictions applicable to Sellers, and any other parties requested by Buyer. Sellers shall be responsible for making all appropriate filings relating thereto with the Bankruptcy Court, which filings shall be submitted, to the extent practicable, to Buyer prior to their filing with the Bankruptcy Court for Buyer's prior review.

(c) On or before the date that is fifteen (15) days prior to the deadline to file an objection to the Sale Motion, Sellers shall file with the Bankruptcy Court and serve a cure notice (the "Cure Notice") by first class mail on all non-debtor counterparties to all Executory Contracts and Leases and provide a copy of the same to Buyer. The Cure Notice shall inform each recipient that its respective Executory Contract or Lease may be designated by Buyer as either assumed or rejected, and the timing and procedures relating to such designation, and, to the extent applicable (i) the title of the Executory Contract or Lease, (ii) the name of the counterparty to the Executory Contract or Lease, (iii) Sellers' good faith estimates of the Cure Amounts required in connection with such Executory Contract or Lease, (iv) the identity of Buyer and (v) the deadline by which any such Executory Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure, and the procedures relating thereto.

(d) The Sellers shall consult with the Buyer regarding pleadings that any of them intends to file with the Bankruptcy Court in connection with, or which might

reasonably affect the Bankruptcy Court's approval of the Bidding Procedures and APA Approval Order and the Sale Order. Each Seller shall promptly provide Buyer and its counsel with copies of all notices, filings and orders of the Bankruptcy Court that such Seller has in its possession (or receives) pertaining to the motion for approval of the Sale Order, or any other order related to any of the transactions contemplated by this Agreement, but only to the extent such papers are not publicly available on the docket of the Bankruptcy Court or otherwise made available to Buyer and its counsel. No Seller shall seek any modification to the Bidding Procedures and APA Approval Order or the Sale Order by the Bankruptcy Court or any other Governmental Entity of competent jurisdiction to which a decision relating to the Chapter 11 Cases has been appealed, in each case, without the prior written consent of Buyer (which consent shall not be unreasonably withheld or conditioned).

(e) If the Sale Order, or any other orders of the Bankruptcy Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person (or if any petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to the Bidding Procedures and APA Approval Order and the Sale Order, or other such order), subject to rights otherwise arising from this Agreement, Sellers shall use their reasonable best efforts to prosecute such appeal, petition or motion and obtain an expedited resolution of any such appeal, petition or motion.

(f) Each Seller shall use its reasonable best efforts to cause the Sale Order to provide that Buyer will have standing in the Chapter 11 Cases to object to the amount of any Claim to the extent it would constitute an Assumed Liability and that the Bankruptcy Court will retain the right to hear and determine such objections.

Section 5.4 Conduct of Business. Except (1) as may be required by the terms of this Agreement, (2) as may be required, authorized or restricted pursuant to the Bankruptcy Code or pursuant to an order of the Bankruptcy Court upon motion by Sellers with Buyer's consent (which consent shall not be unreasonably withheld or conditioned) or (3) as otherwise agreed to in writing by Buyer, from the date hereof until the Closing, Sellers shall use commercially reasonable efforts to: (i) operate the Business in the Ordinary Course of Business in all material respects, including ordering and purchasing Inventory, and making capital, sales and marketing expenditures, (ii) preserve in all material respects the Acquired Assets (excluding sales of Inventory in the Ordinary Course of Business), and (iii) preserve its current relationships with the suppliers, vendors, customers, clients, contractors and other Persons having business dealings with the Business. Without limiting the generality of the foregoing, except (x) as expressly required or contemplated in this Agreement or in the Liquidation Plan, or (y) as may be required, authorized or restricted pursuant to the Bankruptcy Code or pursuant to an order of the Bankruptcy Court upon motion by Sellers with Buyer's consent (which consent shall not be unreasonably withheld or conditioned), from the date hereof until the Closing, without the prior written consent of Buyer (which consent shall not be unreasonably withheld or conditioned, except in the case of subsection (n)), Sellers shall not:

(a) sell, lease (as lessor), transfer or otherwise dispose of (or permit to become subject to any Lien, other than Liens expressly contemplated by the Sale Order, Liens

arising under any Bankruptcy Court orders relating to the use of cash collateral (as defined in the Bankruptcy Code), Liens arising in connection with the DIP Financing and Liens that will not be enforceable against any Seller Asset following the Closing in accordance with the Sale Order) any Seller Assets, other than (A) the sale of Inventory in the Ordinary Course of Business, (B) the collection of receivables, or (C) the use of prepaid assets and Records in the conduct of the Business in the Ordinary Course of Business;

(b) conduct any store closings or "going out of business," liquidation or similar sales, other than with respect to stores with Leases which by their terms or pursuant to a court order terminate prior to the Closing pursuant to the terms thereof;

(c) declare, set aside, make or pay any dividend or other distribution (excluding any payments made in accordance with the provisions of any applicable services agreement between any Seller or any of its subsidiaries in the Ordinary Course of Business) of any assets, including Cash, to any Affiliate or other Person holding direct or indirect equity interests in any Seller;

(d) except as required pursuant to applicable Law or the terms of any Employee Benefit Plan in effect as of the date hereof, (i) grant or provide any severance or termination payments or benefits to any Current Employee, (ii) increase the compensation, bonus or pension, welfare, severance or other benefits of, pay any bonus to, or make any new equity awards to any Current Employee, (iii) establish, adopt, amend or terminate any Employee Benefit Plan or amend the terms of any outstanding equity-based awards, (iv) take any action intended to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Employee Benefit Plan, to the extent not already provided in any such Employee Benefit Plan, (v) enter into or amend any employment, severance, change in control, termination, deferred compensation or other similar agreement with any Current Employee, (vi) change any actuarial or other assumptions used to calculate funding obligations with respect to any Employee Benefit Plan or to change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP, (vii) forgive any loans to Current Employees, or (viii) extend an offer of employment to any natural Person who, if so employed as of the date hereof, would be a Current Employee;

(e) solely with respect to any action which could have an adverse effect on Buyer or any of its Affiliates following the Closing, make or rescind any material election relating to Taxes, settle or compromise any material claim, Litigation, closing agreement, or controversy relating to Taxes, or except as may be required by applicable Law or GAAP, make any material change to any of its methods of Tax accounting, methods of reporting income or deductions for Tax or Tax accounting practice or policy from those employed in the preparation of its most recent Tax Returns, in each case, with respect to Taxes imposed on the Acquired Assets, or acted or omitted to act where such action or omission to act could reasonably be expected to have the effect of increasing any present or future Tax liability or decreasing any present or future Tax benefit with respect to the Acquired Assets;

(f) acquire, dispose of, abandon or allow to lapse any assets or properties (other than Excluded Assets) or make any other investment, in any such event outside the Ordinary Course of Business;

(g) enter into or agree to enter into any merger or consolidation with any corporation or other entity;

(h) cancel or compromise any Indebtedness or claim or waive or release any right, in each case, that is Indebtedness or a claim or right that is a Seller Asset or Assumed Liability;

(i) introduce any material change with respect to the operation of the Business, including any material change in the types, nature, composition or quality of products or services sold in the Business;

(j) enter into any new Contract, that, if entered into prior to the date hereof, would be a Material Contract, or modify, terminate, amend, restate, supplement, renew or waive any rights under or with respect to any Material Contract, in each case other than in the Ordinary Course of Business, or amend, restate, supplement, renew or waive any rights under or with respect to the DIP Financing;

(k) terminate, amend, restate, supplement, renew or waive any rights under or with respect to, any Lease, or, other than in the Ordinary Course of Business, any Material Contract or Permit, or increase any payments required to be paid thereunder (whether or not in connection with obtaining any Consents) by Buyer after the Closing, or increase, or take any affirmative action not required by the terms thereof that would result in any increase in, any operating expenses of any Leases without Buyer's written consent (which consent shall not be unreasonably withheld or conditioned, provided that such consent of Buyer may be conditioned on a reasonable valuation adjustment based on the increased costs in an amount to be determined in good faith);

(l) deviate from past practice in the Ordinary Course of Business with respect to ordering or maintenance of Inventory;

(m) file any motion to pay any pre-Petition Date claims of any Person without the express written consent of Buyer (which consent shall not be unreasonably withheld or conditioned); or

(n) prepay any expenses unless expressly set forth in the Cash Budget, unless with Buyer's consent (which consent may be granted or withheld in Buyer's sole discretion).

Section 5.5 Notice of Developments. From the date hereof until the Closing Date, each Seller (with respect to itself), as the case may be, shall promptly disclose to Buyer, on the one hand, and Buyer shall promptly disclose to Sellers, on the other hand, in writing after attaining knowledge (as applicable to each of Sellers and Buyer) of any failure of any of Sellers or Buyer to comply with or satisfy any of their respective covenants, conditions or agreements to be complied with or satisfied by it under this Agreement in any material respect or in any manner

that was cause the failure of a closing condition set forth in Article VII; provided, however, that the delivery of any notice pursuant to this Section 5.5 shall not limit or otherwise affect the remedies available to the party receiving such notice under this Agreement.

Section 5.6 Access. Prior to Closing, upon reasonable advance written request by Buyer, Sellers shall permit Buyer and its Representatives to have reasonable access during normal business hours and without charge to Sellers, and in a manner so as not to interfere unreasonably with the normal business operations of Sellers, to all premises, properties, personnel, Records and Contracts related to the Business, in each case, for the sole purpose of evaluating the Business; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law.

Section 5.7 Press Releases and Public Announcements. Prior to the Closing and for a period of ninety (90) days following the Closing Date, no Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of each of Buyer and EO; provided, however, that (a) any Party may disclose that this Agreement exists (but not the terms hereof) and (b) any Party may make (and permit the making of) any public disclosure that it believes in good faith is required by applicable Law or court process (in which case the disclosing Party, as applicable, shall use its commercially reasonable efforts to advise the other Parties, as applicable, prior to making the disclosure).

Section 5.8 Bulk Transfer Laws. Buyer acknowledges that Sellers will not comply with the provisions of any bulk transfer Laws of any jurisdiction in connection with the transactions contemplated by this Agreement, unless requested by Buyer and at Buyer's sole cost and expense, and Buyer hereby waives all claims related to the non-compliance therewith. The Parties intend that pursuant to section 363(f) of the Bankruptcy Code, the transfer of the Acquired Assets shall be free and clear of any Liens in the Acquired Assets, including any Liens arising out of the bulk transfer Laws, and the Parties shall take such steps as may be necessary or appropriate to so provide in the Sale Order.

Section 5.9 Suppliers. Sellers shall, following the request thereof by Buyer, seek and use their respective commercially reasonable efforts to arrange meetings and telephone conferences with material suppliers of Sellers as may be reasonably requested by Buyer and necessary and appropriate for Buyer to coordinate transition of such suppliers following the Closing. For the avoidance of doubt, Buyer shall be permitted to contact any customers, suppliers or licensors of the Business in connection with or pertaining to any matter; provided, however, that during the period from the date hereof until the Closing, (i) Buyer shall give prior notice to Sellers, and (ii) Sellers shall be permitted, but shall not be obligated, to attend and participate in any meeting or telephone conference with such customers, suppliers or licensors to the extent reasonably requested.

Section 5.10 Competing Transactions. This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher or better Bids (as defined in the Bidding Procedures and APA Approval Order) as set forth in the Bidding Procedures and APA Approval Order. Notwithstanding anything to the contrary in the LOI, from and after the date

hereof, Sellers and their Representatives shall be permitted to market the Acquired Assets in a manner designed to comply with the provisions of the Bidding Procedures.

Section 5.11 Delivery of Disclosure Schedule; Other Schedules. No later than the date that is twenty (20) days following the date of this Agreement, (a) Sellers shall deliver to Buyer the "Disclosure Schedule", which shall be in form and substance reasonably acceptable to Buyer (it being understood that if any disclosure set forth thereon would materially detract from the value of the transactions contemplated hereby to the Buyer (as reasonably determined by Buyer), then for a period of ten (10) days from the delivery of the Disclosure Schedule, Buyer shall be entitled to terminate this Agreement pursuant to Section 8.1(b)(ii) as if a Material Adverse Effect had occurred), and (b) Sellers shall deliver to Buyer a schedule of estimated Cure Amounts with respect to each Executory Contract and Lease. Sellers shall use commercially reasonable efforts to ensure that the schedules filed with the Bankruptcy Court pursuant to Rule 1007(b)(1)(C) of the Federal Rules of Bankruptcy Procedure contain a true, complete and correct list of executory contracts and unexpired leases of Sellers. No later than the date that is twenty (20) days after the date of this Agreement, Sellers shall deliver to Buyer a schedule of estimated amounts for which Buyer would be liable with respect to all of the following numbered items on Schedule 2.3: 1, 2 (solely as to Cure Amounts), 3 (solely as to Cure Amounts), 4 and 9 (the aggregate of all such estimated amounts, the "Estimated Assumed Liability Amount"), it being understood that if the information on such schedule is not materially consistent with the Cash Budget, the Ordinary Course of Business and/or other information disclosed to Buyer in writing prior to the date hereof by any of Mark T. Walsh, Scott Hampson and/or Daniel Bliss, then for a period of ten (10) days from the delivery of such schedule, Buyer shall be entitled to terminate this Agreement pursuant to Section 8.1(b)(ii) as if a Material Adverse Effect had occurred.

Section 5.12 Compliance With DIP Financing. From the date hereof until the earlier to occur of (x) the Closing and (y) the termination of this Agreement, Sellers shall use their reasonable best efforts to comply with the terms and conditions of the DIP Financing in all respects.

ARTICLE VI OTHER COVENANTS

The Parties agree as follows with respect to the period from and after the Closing:

Section 6.1 Cooperation. Each of the Parties shall cooperate with each other, and shall use their commercially reasonable efforts to cause their respective Representatives to cooperate with each other, to provide an orderly transition of the Acquired Assets and Assumed Liabilities from Sellers to Buyer and to minimize the disruption to the Business resulting from the transactions contemplated hereby.

Section 6.2 Further Assurances. In case at any time from and after the Closing any further action is necessary or reasonably required to carry out the purposes of this Agreement, subject to the terms and conditions of this Agreement and the terms and conditions of the Sale Order, at any Party's request and sole cost and expense, each Party shall take such further action, including the execution and delivery to any other Party of such other reasonable instruments of sale, transfer, conveyance, assignment, assumption and confirmation and providing materials and

information, as another Party may reasonably request as shall be necessary to transfer, convey and assign to Buyer all of the Acquired Assets, to confirm Buyer's assumption of the Assumed Liabilities and to confirm Sellers' retention of the Excluded Assets and Excluded Liabilities. Without limiting the generality of this Section 6.2, to the extent that either Buyer or Sellers discovers any additional assets or properties which should have been transferred or assigned to Buyer as Acquired Assets but were not so transferred or assigned, Buyer and Sellers shall cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such asset or property to Buyer.

Section 6.3 Post-Closing Access and Cooperation. From and after the Closing, Buyer shall promptly provide to Sellers and their respective Representatives (after reasonable notice and during normal business hours (and without charge to Sellers except for out of pocket costs during the first nine (9) months following the Closing), in a manner so as not to interfere unreasonably with the normal business operations of Buyer) access to all premises, properties, personnel, Records and Contracts included in the Acquired Assets for periods prior to the Closing and reasonable access to Transferred Employees, in each case, to the extent such access is necessary in order for Sellers to comply with applicable Law or any Contract to which any Seller is a party, for liquidation, winding up, closure, Tax reporting or other proper purposes and so long as such access is subject to an obligation of confidentiality, and shall preserve such Records until the latest of (a) the required retention period for all government contact information, records or documents or (b) the conclusion of all bankruptcy proceedings relating to the Chapter 11 Cases. Such access shall include access to any information in electronic form to the extent reasonably available. Buyer acknowledges that Sellers have the right to retain originals or copies of all of Records included in the Acquired Assets for periods prior to the Closing subject to an obligation of confidentiality. With respect to any Litigation and claims that are Excluded Liabilities, Buyer shall render all reasonable assistance (at no out of pocket cost to Buyer) that Sellers may reasonably request in defending or prosecuting such Litigation or claim and shall make available to Sellers (at no out of pocket cost to Buyer) such personnel as are most knowledgeable about the matter in question, in a manner as to not unreasonably interfere with the normal business operations of Buyer or the duties of such personnel.

Section 6.4 Employee Matters.

(a) At least fifteen (15) Business Days prior to Closing, Buyer (through and in consultation with Representatives of Sellers) shall (i) provide Sellers with a list of Current Employees who work at a Non-Continuing Store and who are required, in Buyer's sole discretion, to remain employed by Sellers to operate the Non-Continuing Stores (the "Selected Employees"), and (ii) extend offers of employment (each, a "Transfer Offer") with Buyer or one of its Affiliates to all of the Current Employees (other than Key Employees) who are jointly determined by Buyer and Sellers to perform services primarily for the Continuing Stores and/or the Business as it will be operated by Buyer following the Closing. Each Transfer Offer shall set forth the proposed terms of employment for the Current Employees, including base salary (or wages) and employee benefits that are substantially comparable in the aggregate to the base salary (or wages) and employee benefits provided by Sellers to such Current Employee as of the Closing Date, and such other terms and conditions of employment as determined by Buyer in its sole and absolute discretion. At least five (5) Business Days prior to Closing, Buyer shall

provide Sellers a list of the Current Employees who have accepted a Transfer Offer and those who have rejected a Transfer Offer. Effective as of the Closing Date, Sellers shall discharge all Current Employees who have accepted a Transfer Offer and all Current Employees who have not accepted a Transfer Offer other than the Selected Employees. Sellers shall discharge the Selected Employees as directed by Buyer.

(b) Employment pursuant to a Transfer Offer shall be contingent upon such Current Employee remaining employed by Sellers until immediately prior to the Closing. Each Current Employee who accepts Buyer's Transfer Offer (each, a "Transferred Employee") shall commence to be employed by Buyer or an Affiliate of Buyer on the Closing Date. Each Current Employee who does not become a Transferred Employee shall be an "Excluded Employee." Section 6.4(b) of the Disclosure Schedule sets forth a list of Current Employees who have letter employment agreements with any Seller (the "Key Employees"). Notwithstanding anything to the contrary in Section 6.4(a), within thirty (30) days of the date hereof, Buyer shall notify Sellers which Key Employees will receive employment offers, and such offers will set forth the material terms and conditions of employment.

(c) Except to the extent enumerated in Schedule 2.3 and as set forth in Section 6.4(d), 6.4(f)(ii) or 6.4(f)(iii), Sellers shall bear responsibility for all Liabilities arising out of, relating to, or with respect to any compensation and employee benefits relating to the Current Employees and Former Employees whenever arising, whether before, on or after the Closing Date, and shall pay such Liabilities in the Ordinary Course of Business in accordance with the Cash Budget.

(d) Prior to the Designation Deadline, Buyer and Sellers shall cooperate in good faith to identify those Employee Benefit Plans, the assets and Liabilities of which will be assumed by Buyer in connection with the transactions contemplated by this Agreement; it being understood that such identified Employee Benefit Plans shall be considered "Assumed Benefit Plans" for purposes of this Agreement. Upon Closing, the Assumed Benefit Plans will be assumed, sponsored, administered and maintained by Buyer, and Sellers shall have no Liability with respect to the Assumed Benefit Plans after Closing, including any Liabilities for claims incurred before or on Closing which have not been paid prior to Closing. For the avoidance of doubt, each Employee Benefit Plan of the Sellers that are not designated as Assumed Benefit Plans (each, a "Non-Assumed Benefit Plan") shall not be assumed, sponsored, administered and maintained by Buyer, and, except for the Assumed Liabilities, Buyer shall have no Liability with respect to the Non-Assumed Benefit Plans on, after or prior to Closing, except as set forth on Schedule 2.3 hereof.

(e) Following the date of this Agreement,

(i) Sellers shall allow Buyer or any of its Representatives reasonable access upon reasonable advance notice to meet with and interview the Current Employees who are members of executive management and other employees reasonably requested during normal business hours; provided, however, that such

access shall not unduly interfere with the operation of the Business prior to the Closing;

(ii) Sellers shall not, nor shall any Seller authorize or direct or give express permission to any Affiliate, officer, director or employee of any Seller or any Affiliate, to (A) interfere with Buyer's or its Representatives rights under Section 6.4(a) to make Transfer Offers to Current Employees, or (B) solicit or encourage any Current Employee who received a Transfer Offer pursuant to Section 6.4(a) not to accept, or to reject, any such offer of employment; and

(iii) Sellers shall provide reasonable cooperation and information to Buyer or the relevant Representative as reasonably requested by Buyer or such Representative with respect to its determination of appropriate terms and conditions of employment for any Current Employee to be made a Transfer Offer pursuant to Section 6.4(a), including, without limitation, a list of all Current Employees, and with respect to each Current Employee, (A) date of hire, (B) position, (C) annual base salary (or wages), (D) the Seller for whom such Current Employee performs services and (E) the location where such Current Employee performs services for the applicable Seller.

(f) Except to the extent enumerated in Schedule 2.3,

(i) Sellers shall be liable for, and shall process the payroll and pay, or cause to be paid, the base salary (or wages) and employee benefits (including any vacation or other paid leave accruals) that are earned or accrued on or prior to the Closing Date with respect to all Current Employees;

(ii) Buyer shall be liable for, and shall process the payroll and pay, or cause to be paid, the base salary (or wages) and employee benefits that accrue after the Closing Date with respect to Transferred Employees. In addition, Buyer shall (or shall cause its Affiliates to) process all employee and Tax reporting covering the periods prior to the Closing in connection with the Transferred Employees that will be required to be prepared and delivered after the applicable Closing Date. Further, Buyer shall be liable for all Liabilities arising out of Buyer's or its Affiliate's employment of any Transferred Employee based on facts occurring on or after the Closing Date; and

(iii) Following the Closing, Sellers shall continue to process the payroll for and pay, or cause to be paid, the base salary (or wages) and provide employee benefits to all Selected Employees; provided that if requested by Buyer, Sellers shall retain, at Buyer's sole cost, a third party payroll administrator to process the payroll for such employees; and provided that Buyer shall prepay to Sellers or such payroll administrator, as applicable, such amount of cash as may be reasonably necessary to cover all anticipated out of pocket costs (including the base salary (or wages) and employee benefits) associated with the continued employment of the Selected Employees in advance of any such costs being due and payable. Following the Closing, Sellers shall not voluntarily terminate any

Selected Employees (other than for cause) without the prior written consent of Buyer.

(g) The Parties hereto agree to cooperate in good faith, including by sharing information about terminations of employment in a timely manner, to determine whether any notification may be required under the WARN Act as a result of the transactions contemplated by this Agreement. At the written request of Buyer, Sellers agree, within five (5) Business Days of such request, to issue WARN Act notices to all employees as requested by Buyer. Buyer shall be liable for any pay in lieu of notice required pursuant to the WARN Act with respect to any employee of Sellers, provided that Sellers have complied with this Section 6.4(g).

(h) Nothing contained herein shall be construed as requiring, and neither Sellers nor any of their Affiliates shall take any affirmative action that would have the effect of requiring, Buyer to sponsor or continue any specific employee benefit plan or to hire or continue the employment of any specific person. Nothing in this Agreement is intended to establish, create or amend, nor shall anything in this Agreement be construed as establishing, creating or amending, any employee benefit plan, practice or program of Buyer, any of its Affiliates or any of Sellers' Employee Benefit Plans, nor shall anything in this Agreement create or be construed as creating any contract of employment or as conferring upon any Transferred Employee or upon any other person, other than the parties to this Agreement in accordance with its terms, any third party beneficiary rights to enforce any provisions of this Agreement under ERISA or otherwise.

Section 6.5 Recording of Intellectual Property Assignments. All of the Intellectual Property Assignments shall be recorded and filed by Buyer with the appropriate Governmental Entities as promptly as practicable following the Closing.

Section 6.6 Transfer Taxes. To the extent not exempt under section 1146 of the Bankruptcy Code, then Buyer shall pay any stamp, documentary, registration, transfer, added-value or similar Tax (each, a "Transfer Tax") imposed under any applicable Law in connection with the transactions contemplated by Article II of this Agreement. Except as provided in Section 5.8, Sellers and Buyer shall cooperate to prepare and timely file any Tax Returns required to be filed in connection with Transfer Taxes described in the immediately preceding sentence.

Section 6.7 Wage Reporting. Buyer and Sellers agree to utilize, or cause their respective Affiliates to utilize, the standard procedure set forth in Internal Revenue Service Revenue Procedure 2004-53 with respect to wage reporting, unless otherwise agreed by the Parties.

Section 6.8 Acknowledgements. Buyer acknowledges that it has received from Sellers certain projections, forecasts and prospective or third party information relating to Sellers, the Business, the Acquired Assets, the Assumed Liabilities or any related topics. Buyer acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts and in such information, (ii) Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all projections,

forecasts and information so furnished, and (iii) neither Buyer nor any other Person shall have any claim against any Seller, its Affiliates or their respective Representatives with respect thereto. Accordingly, Buyer acknowledges that Sellers make no representations or warranties with respect to such projections, forecasts or information or any other representations that are not contained in this Agreement.

Section 6.9 Insurance Policies.

(a) To the extent that any current or prior Insurance Policy is not transferable to Buyer at the Closing in accordance with the terms thereof, each Seller, as applicable, shall hold such Insurance Policy for the benefit of Buyer, shall reasonably cooperate with Buyer (at Buyer's cost and expense) in pursuing any claims thereunder, and shall pay over to Buyer promptly any insurance proceeds paid or recovered thereunder with respect to the Acquired Assets or the Assumed Liabilities. In the event Buyer determines to purchase replacement coverage with respect to any such Insurance Policy, Sellers shall reasonably cooperate with Buyer to terminate such Insurance Policy to the extent only applicable to the Acquired Assets, and Sellers shall, at the option of Buyer, promptly pay over to Buyer any refunded or returned insurance premiums received by any Sellers in connection therewith (or, if applicable, Buyer's pro rata portion thereof) or cause such premiums to be applied by the applicable carrier to the replacement coverage arranged by Buyer.

(b) To the extent that any current or prior Insurance Policy of any Seller relates to the Acquired Assets or Assumed Liabilities and the Excluded Assets or the Excluded Liabilities, and such Insurance Policy is transferred to Buyer at the Closing, Buyer shall hold such Insurance Policy with respect to the Excluded Assets or Excluded Liabilities, as applicable, for the benefit of Sellers, shall reasonably cooperate with Sellers in pursuing any claims thereunder, and shall pay over to Sellers promptly any insurance proceeds paid or recovered thereunder with respect to the Excluded Assets or the Excluded Liabilities.

Section 6.10 Collection of Accounts Receivable.

(a) As of the Closing Date, each Seller hereby (i) authorizes Buyer to open any and all mail addressed to any Seller relating to the Business or the Acquired Assets and delivered to the offices of the Business or otherwise to Buyer if received on or after the Closing Date and (ii) appoints Buyer or its attorney-in-fact to endorse, cash and deposit any monies, checks or negotiable instruments received by Buyer after the Closing Date with respect to Accounts Receivable that are Acquired Assets or accounts receivable relating to work performed by Buyer after the Closing, as the case may be, made payable or endorsed to any Seller or Seller's order, for Buyer's own account.

(b) As of the Closing Date, each Seller agrees that any monies, checks or negotiable instruments received by any Seller after the Closing Date with respect to Accounts Receivable, including Credit Card Receivables, that are Acquired Assets or accounts receivable relating to work performed by Buyer after the Closing, as the case may be, shall be held in trust by such Seller for Buyer's benefit and account, and

promptly upon receipt by a Seller of any such payment (but in any event within five (5) Business Days of such receipt), such Seller shall pay over to Buyer or its designee the amount of such payments. In addition, Buyer agrees that, after the Closing, it shall hold and shall promptly transfer and deliver to Sellers, from time to time as and when received by Buyer or its Affiliates, any cash, checks with appropriate endorsements, or other property that Buyer or its Affiliates may receive on or after the Closing which properly belongs to Sellers hereunder, including any Excluded Assets.

(c) As of the Closing Date, Buyer shall have the sole authority to bill and collect Accounts Receivable that are Acquired Assets and accounts receivable relating to work performed by Buyer after the Closing.

Section 6.11 Name Changes. Neither Sellers nor any of their Affiliates shall use, license or permit any third party to use, or file any motion to change the caption of the Chapter 11 Cases to, any name, slogan, logo or trademark which is similar or confusingly or deceptively similar to any of the names, trademarks or service marks included in the Intellectual Property included in the Acquired Assets, and within ten (10) Business Days following the Closing Date, each Seller shall (a) change its corporate name to a name which (i) does not use the name "Bob's Stores", "Eastern Mountain Sports", "EMS" or "Sport Chalet" or any other name that references or reflects any of the foregoing in any manner whatsoever, (ii) is otherwise substantially dissimilar to its present name and (iii) is approved in writing by Buyer and (b) use its reasonable best efforts to change the caption of the Chapter 11 Cases to names that are not similar to any of the foregoing names.

ARTICLE VII CONDITIONS TO CLOSING

Section 7.1 Conditions to Buyer's Obligations. Subject to Section 7.3, Buyer's obligation to consummate the transactions contemplated hereby in connection with the Closing is subject to satisfaction or waiver of the following conditions:

(a) as of the date hereof and as of the Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) each representation or warranty contained in Sections 3.1(a), 3.1(b), 3.1(c), 3.2, 3.3 and 3.14 shall be true and correct in all respects, and (ii) each other representation or warranty set forth in Article III shall be true and correct in all respects, except where the failure of such representations and warranties referred to in this clause (ii) to be true and correct, individually or in the aggregate with other such failures, has not had, and would not reasonably be expected to have, a Material Adverse Effect; provided, however, that for purposes of determining the accuracy of representations and warranties referred to in clause (ii) for purposes of this condition, all qualifications as to "materiality", and "Material Adverse Effect", and similar qualifiers contained in such representations and warranties shall be disregarded;

(b) Sellers shall have performed and complied with their covenants and agreements hereunder to the extent required to be performed prior to the Closing in all

material respects, and Sellers shall have caused the documents and instruments required by Section 2.8(a) to be delivered to Buyer (or tendered subject only to Closing);

(c) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(d) all applicable waiting periods (and any extensions thereof) under the HSR Act and other applicable Laws shall have expired or been terminated, and all authorizations, consents or approvals required under applicable antitrust and/or competition Laws of other jurisdictions have been obtained;

(e) (i) the Bidding Procedures and APA Approval Order (A) shall have been entered by the Bankruptcy Court and be effective, (B) shall not have been voided, reversed or vacated or subject to a stay and (C) shall not have been amended, modified or supplemented in any way, subject only to immaterial clarifications, without Buyer's prior written consent; and (ii) the Sale Order (A) shall have become a Final Order and (B) shall not have been amended, modified or supplemented in any way, subject only to immaterial clarifications, without Buyer's prior written consent (which consent shall not be unreasonably withheld or conditioned);

(f) from the date of this Agreement until the Closing Date, there shall not have occurred and be continuing any Material Adverse Effect; and

(g) Sellers shall have delivered a certificate from an authorized officer of Sellers to the effect that each of the conditions specified in Section 7.1(a), 7.1(b) and 7.1(f) has been satisfied.

Section 7.2 Conditions to Sellers' Obligations. Subject to Section 7.3, Sellers' obligation to consummate the transactions contemplated hereby in connection with the Closing are subject to satisfaction or waiver of the following conditions:

(a) as of the date hereof and as of the Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) each representation or warranty contained in Sections 4.1, 4.2, 4.3 and 4.7 shall be true and correct in all respects, and (ii) each other representation or warranty set forth in Article IV shall be true and correct in all respects, except where the failure of such representations and warranties referred to in this clause (ii) to be true and correct, individually or in the aggregate with other such failures, would not reasonably be expected to materially prevent, restrict or delay the consummation of the transactions contemplated hereby or by any Related Agreement; provided, however, that for purposes of determining the accuracy of representations and warranties referred to in clause (ii) for purposes of this condition, all qualifications as to "materiality", and "Material Adverse Effect", and similar qualifiers contained in such representations and warranties shall be disregarded;

(b) Buyer shall have performed and complied with its covenants and agreements hereunder to the extent required to be performed prior to the Closing in all material respects, and Buyer shall have caused the documents, instruments and payments required by Section 2.8(b) to be delivered to Sellers (or tendered subject only to Closing);

(c) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(d) all applicable waiting periods (and any extensions thereof) under the HSR Act and other applicable Laws shall have expired or been terminated, and all authorizations, consents or approvals required under applicable antitrust and/or competition Laws of other jurisdictions have been obtained;

(e) the Sale Order (i) shall have been entered by the Bankruptcy Court and be effective, and (ii) shall not have been voided, reversed or vacated or subject to a stay; and

(f) Buyer shall have delivered a certificate from an authorized officer of Buyer to the effect that each of the conditions specified in Section 7.2(a) and 7.2(b) has been satisfied.

Section 7.3 No Frustration of Closing Conditions. Neither Buyer nor Sellers may rely on the failure of any condition to its obligation to consummate the transactions contemplated hereby set forth in Section 7.1 or Section 7.2, as the case may be, to be satisfied if such failure was caused by such Party's failure to use its reasonable best efforts or commercially reasonable efforts, as applicable, with respect to those matters contemplated by the applicable Sections of this Agreement.

ARTICLE VIII TERMINATION

Section 8.1 Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by the mutual written consent of Buyer, on the one hand, and Sellers, on the other hand;

(b) by Buyer by giving written notice to Sellers at any time prior to Closing (i) in the event Sellers have breached any representation, warranty or covenant contained in this Agreement such that any condition set forth in Section 7.1 would not be satisfied, Buyer has notified Sellers of the breach, and the breach is not curable or, if curable, has continued without cure until the earlier of (x) ten (10) Business Days after the notice of the breach and (y) the date that is five (5) Business Days prior to the End Date, or (ii) in the event that any condition set forth in Section 7.1 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants hereof to be performed or complied with by it prior to the Closing, and such condition is not waived by Buyer;

(c) by Sellers by giving written notice to Buyer at any time prior to Closing (i) in the event (A) Buyer has breached any representation, warranty or covenant contained in this Agreement such that any condition set forth in Section 7.2 would not be satisfied, Sellers have notified Buyer of the breach, and the breach is not curable or, if curable, has continued without cure until the earlier of (x) ten (10) Business Days after the notice of the breach and (y) by the date that is five (5) Business Days prior to the End Date, or (B) Buyer fails to effect the Closing in accordance with Section 2.7, or (ii) in the event that any condition set forth in Section 7.2 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Sellers to perform or comply with any of the covenants hereof to be performed or complied with by them prior to the Closing, and such condition is not waived by Sellers;

(d) by Buyer, on the one hand, or Sellers, on the other hand following the Bankruptcy Court approval of any Prevailing Bid to a Prevailing Bidder that is not Buyer;

(e) by Buyer, on the one hand, or Sellers, on the other hand, on any date that is after the End Date if the Closing shall not have occurred by the End Date; provided, however, that (i) Buyer shall not have the right to terminate this Agreement under this Section 8.1(e) or Section 8.1(b) if, at the time of such termination, Sellers would be entitled to terminate this agreement pursuant to Section 8.1(c) (subject only to delivery of notice and the opportunity to cure, if curable, required by Section 8.1(c)), and (ii) Sellers shall not have the right to terminate this Agreement under this Section 8.1(e) or Section 8.1(c) if, at the time of such termination, Buyer would be entitled to terminate this agreement pursuant to Section 8.1(b) (subject only to delivery of notice and the opportunity to cure, if curable, required by Section 8.1(b));

(f) by Buyer if (i) all of the Sellers shall not have filed the Chapter 11 Cases within one (1) Business Day of the date hereof, (ii) the Bidding Procedures and APA Approval Order shall not have been entered on or prior to thirty (30) days of the Petition Date; or (iii) the Sale Order is not entered by the Bankruptcy Court within sixty (60) days after the Petition Date and does not become a Final Order within seventy five (75) days after the Petition Date;

(g) by Buyer if (i) any Seller or any Seller's Affiliate seeks, or does not use its reasonable best efforts to oppose any other Person in seeking, an order of the Bankruptcy Court dismissing the Chapter 11 Cases or converting the Chapter 11 Cases to a petition for relief under Chapter 7 of the Bankruptcy Code, or the Bankruptcy Court enters such an order for any reason, (ii) any Seller or any Affiliate of the Sellers seeks, or does not use its reasonable best efforts to oppose any other Person in seeking, the Bankruptcy Court to enter an order appointing a trustee in the Chapter 11 Bankruptcy Cases or appointing a responsible officer or an examiner with enlarged powers relating to the operation of the Sellers' Business, or such an order is entered for any reason, or (iii) the Bankruptcy Court enters an order pursuant to section 362 of the Bankruptcy Code lifting the automatic stay with respect to any material Acquired Assets;

(h) by Buyer if the total of all Cure Amounts exceeds an amount equal to the aggregate of one (1) month occupancy costs plus all accrued Taxes under every Lease by more than ten percent (10%);

(i) by Buyer if the actual aggregate of all amounts for which Buyer would be liable with respect to all of the following numbered items on Schedule 2.3: 1, 2 (solely as to Cure Amounts), 3 (solely as to Cure Amounts), 4 and 9, exceeds 112.5% of the Estimated Assumed Liability Amount;

(j) by Buyer if (i) following entry by the Bankruptcy Court of the Bidding Procedures and APA Approval Order, such order is (A) amended, modified or supplemented in a manner that is adverse to Buyer without Buyer's prior written consent or (B) voided, reversed or vacated or is subject to a stay or (ii) following entry by the Bankruptcy Court of the Bidding Procedures and APA Approval Order and the Sale Order, the Sale Order is (A) amended, modified or supplemented in a manner that is adverse to Buyer without Buyer's prior written or (B) voided, reversed or vacated or is subject to a stay; or

(k) by Buyer if the DIP Financing has terminated.

Section 8.2 Procedure Upon Termination. In the event of termination and abandonment by Buyer, on the one hand, or Sellers, on the other hand, or both, pursuant to Section 8.1, written notice thereof shall forthwith be given to the other Party or Parties, and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by Buyer or Sellers.

Section 8.3 Effect of Termination; Expense Reimbursement; Break-Fee.

(a) If any Party terminates this Agreement pursuant to Section 8.1, then all rights and obligations of the Parties hereunder shall terminate upon such termination and shall become null and void (except that Article I (Definitions), Article IX (Miscellaneous), and this Article VIII (Termination) shall survive any such termination) and no Party shall have any Liability to any other Party, as applicable, hereunder except as otherwise expressly set forth in this Agreement.

(b) If this Agreement is terminated pursuant to clause (i) of Section 8.1(b) or Section 8.1(d), then Sellers shall pay to Buyer an amount equal to the sum of (i) the actual Expenses of Buyer and its Affiliates not to exceed \$750,000 (the "Expense Reimbursement"), which Expenses shall constitute an allowed administrative expense of Sellers under Bankruptcy Code sections 503(b) and 507(a)(1), and (ii) an amount equal to \$2,670,000 (the "Break Fee"), such sum to be paid in full from the proceeds of such Competing Transaction contemporaneously with the consummation of such Competing Transaction; provided that in the event the Break Fee is earned but no Competing Transaction has been accepted, then the Sellers' shall pay the Break Fee when proceeds are available in the estates to pay allowed administrative expenses of the same priority, and in any event, no later than the effective date of a plan of reorganization.

(c) If this Agreement is terminated pursuant to clause (i) of Section 8.1(c), then a portion of the DIP Financing Obligations if Buyer or an Affiliate of Buyer is a lender under the DIP Financing, otherwise the Second Lien Financing Obligations equal to \$2,670,000 shall be assumed by Buyer within two (2) Business Days of such termination; it being understood and agreed that any such DIP Financing Obligations or Second Lien Financing Obligations so assumed pursuant to this Section 8.3(c) shall consist of first dollar recovery with respect thereto; AND IT BEING FURTHER UNDERSTOOD AND AGREED THAT ANY SUCH ASSUMPTION OF DIP FINANCING OBLIGATIONS OR SECOND LIEN FINANCING OBLIGATIONS SHALL BE LIQUIDATED DAMAGES AND SHALL CONSTITUTE SELLERS' SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT AND SELLERS SHALL NOT HAVE ANY OTHER RIGHTS OR REMEDIES AT LAW OR IN EQUITY UNDER THIS AGREEMENT; AND IT BEING FURTHER UNDERSTOOD AND AGREED THAT SECTION 8.1(C) IS SELLERS' SOLE AND EXCLUSIVE REMEDY FOR BUYER'S FAILURE TO EFFECT THE CLOSING PURSUANT TO SECTION 2.7.

(d) Any amounts due and payable to Buyer in connection with a breach of the terms of this Agreement shall be entitled to administrative priority under Section 503(b) of the Bankruptcy Code.

(e) Except as provided in Section 8.3(c), notwithstanding anything to the contrary set forth in this Agreement, nothing herein shall relieve any Party from Liability for any breach of covenant occurring prior to any termination of this Agreement.

Section 8.4 Acknowledgement. Each Party agrees and acknowledges that Buyer's due diligence, efforts, negotiation and execution of this Agreement have involved substantial investment of management time and have required significant commitment of financial, legal and other resources by Buyer and its Affiliates, and that such due diligence, efforts, negotiation and execution have provided value to the Sellers. The provision of the Expense Reimbursement and Break Fee is an integral part of this Agreement, without which Buyer would not have entered into this Agreement.

ARTICLE IX MISCELLANEOUS

Section 9.1 Expenses. Except as otherwise provided in this Agreement or a Related Agreement, Sellers and Buyer shall bear their own expenses, including attorneys' fees, incurred in connection with the negotiation and execution of this Agreement, the Related Agreements and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

Section 9.2 Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations (whether written or oral) by or among the Parties, written or oral, with respect to the subject matter hereof, except for the Related Agreements.

Section 9.3 Incorporation of Schedules, Exhibits and Disclosure Schedule. The schedules, appendices and exhibits to this Agreement, the documents and other information made available in the Disclosure Schedule are incorporated herein by reference and made a part hereof.

Section 9.4 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party except as expressly provided herein. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 9.4 except as expressly provided herein. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 9.5 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. None of the Parties may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of all Parties; provided, however, that Buyer shall be permitted to assign any of its rights hereunder to one or more of its wholly owned Subsidiaries, as designated by Buyer in writing to Sellers. In addition, consistent with the LOI, Buyer may designate that certain assets acquired by it be transferred to Vestis.

Section 9.6 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient; (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); (iii) when sent by email (with written confirmation of transmission); or (iv) three (3) Business Days after being mailed to the recipient by certified or registered mail or Royal Mail, as applicable, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to any Sellers, then to:

Eastern Outfitters, LLC
160 Corporate Court
Meriden, Connecticut 06450
Attention: Mark T. Walsh
Email: MWalsh@bobstores.com

with a copy to:

Bracewell LLP
1251 Avenue of the Americas
49th Floor
New York, NY 10020
Attention: Jennifer Feldsher
Elena Rubinov
Email: jennifer.feldsher@bracewelllaw.com
elena.rubinov@bracewelllaw.com

If to Buyer, then to:

Sportsdirect.com Retail Ltd.
Unit A, Brook Park East
Shirebrook, NG20 8RY
Attention: Justin Barnes
Email: justin@ibsinternational.co.uk

with copies (which shall not constitute notice) to:

Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, New York 10166
Attention: Meredith J. Beuchaw
Email: beuchawm@gtlaw.com

Any Party may change the mailing address or email address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner set forth in this Section 9.6.

Section 9.7 Governing Law; Jurisdiction. This Agreement shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware and, to the extent applicable, the Bankruptcy Code, and the obligations, rights and remedies of the Parties shall be determined in accordance with such Laws. The Parties agree that any Litigation one Party commences against any other Party pursuant to this Agreement shall be brought exclusively in the Bankruptcy Court; provided that if the Bankruptcy Court is unwilling or unable to hear any such Litigation, then the courts of the State of Delaware, sitting in New Castle County, Delaware and the federal courts of the United States of America sitting in New Castle County, Delaware, shall have exclusive jurisdiction over such Litigation.

Section 9.8 Consent to Service of Process. Each of the Parties hereby consents to process being served by any Party, respectively, in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 9.6.

Section 9.9 WAIVERS OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 9.10 Specific Performance.

(a) Notwithstanding anything to the contrary in this Agreement, each Seller acknowledges and agrees that Buyer would be damaged irreparably if, after the Closing, any provision of this Agreement is not performed in accordance with its specific terms or otherwise breached, so that, in addition to any other remedy that Buyer may have under Law or equity (including the right to sue for damages in the event of such nonperformance or breach), from and after the Closing, Buyer shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof (except as otherwise expressly set forth herein).

(b) Each Seller agrees that it shall not oppose the granting of specific performance or an injunction sought in accordance with this Section 9.10 on the basis that Buyer has an adequate remedy at law or that any award of specific performance is, for any reason, not an appropriate remedy (except as otherwise expressly set forth herein). Buyer shall not be required to provide any bond or other security in connection with any such injunction or other equitable remedy.

Section 9.11 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability in any one jurisdiction affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 9.12 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

Section 9.13 No Survival of Representations, Warranties and Agreements. None of the Parties' representations, warranties, covenants and other agreements in this Agreement, including any rights of the other Party or any third party arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Closing, except for (i) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing, (ii) this Article IX, and (iii) all defined terms set

forth in Article I that are referenced in the foregoing provisions referred to in clauses (i) and (ii) above.

Section 9.14 Construction. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa. The word “including” and “include” and other words of similar import shall be deemed to be followed by the phrase “without limitation.” The words “herein,” “hereto” and “hereby,” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement. Unless expressly stated in connection therewith or the context otherwise requires, the phrase “relating to the Business” and other words of similar import shall be deemed to mean “relating to the operation of the Business as conducted as of the date hereof.” Except as otherwise provided herein, references to Articles, Sections, clauses, subclauses, subparagraphs, Schedules, Exhibits, Appendices and the Disclosure Schedule herein are references to Articles, Sections, clauses, subclauses, subparagraphs, Schedules, Appendices, Exhibits and the Disclosure Schedule of this Agreement. Any reference herein to any Law (or any provision thereof) shall include such Law (or any provision thereof) and any rule or regulation promulgated thereunder, in each case, including any successor thereto, and as it may be amended, modified or supplemented from time to time. Any reference herein to “dollars” or “\$” means United States dollars.

Section 9.15 Computation of Time. In computing any period of time prescribed by or allowed with respect to any provision of this Agreement that relates to Sellers or the Chapter 11 Cases, the provisions of rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

Section 9.16 Mutual Drafting. Each of the Parties has participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 9.17 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meanings ascribed to them in this Agreement. The representations and warranties of Sellers in this Agreement are made and given, and the covenants are agreed to, subject to the disclosures and exceptions set forth in the Disclosure Schedule. The disclosure of any matter in any section of the Disclosure Schedule shall be deemed to be a disclosure with respect to any other sections of the Disclosure Schedule to which such disclosed matter reasonably relates, but only to the extent that such relationship is reasonably apparent on the face of the disclosure contained in the Disclosure Schedule. The listing of any matter shall expressly not be deemed to constitute an admission by Sellers, or to otherwise imply, that any such matter is material, is required to be disclosed under this Agreement or falls within relevant minimum thresholds or materiality standards set forth in this Agreement. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any Contract or law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. In no event shall the disclosure of any matter in the Disclosure Schedule be deemed or interpreted to expand the scope of Sellers’ representations, warranties and/or covenants set forth in this

Agreement. All attachments to the Disclosure Schedule are incorporated by reference into the Disclosure Schedule in which they are directly or indirectly referenced.

Section 9.18 Headings; Table of Contents. The section headings and the table of contents contained in this Agreement and the Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.19 Counterparts; Facsimile and Email Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile or email with scan attachment copies, each of which shall be deemed an original.

Section 9.20 Time of Essence. Time is of the essence of this Agreement.

Section 9.21 General Releases.

(a) Effective upon the Closing, Sellers, on behalf of themselves and their respective subsidiaries, parents, divisions, Affiliates, successors and assigns (collectively, in their capacities as parties granting releases pursuant to this Section 9.21(a), the "Seller Releasing Parties"), hereby release, remise, acquit and forever discharge Buyer and its past, present and future subsidiaries, parents, divisions, Affiliates, agents, representatives, insurers, attorneys, successors and assigns, and each of its and their respective directors, managers, officers, employees, shareholders, members, agents, representatives, attorneys, contractors, subcontractors, independent contractors, owners, insurance companies and partners (except, in each case, the Seller Releasing Parties) (collectively, in their capacities as parties being released pursuant to this Section 9.21(a), the "Buyer Released Parties"), from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys' fees and expenses, obligations, agreements, covenants, damages, Liabilities, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute, common law of any kind, nature, or description, including, as to any of the foregoing, any claim by way of indemnity or contribution, which any Seller Releasing Party has, may have had or may hereafter assert against any Buyer Released Party to the extent arising from or related in any way, either directly or indirectly, to the Business, the Acquired Assets or the Assumed Liabilities and, in each case, only to the extent based on facts existing prior to the Closing; provided, however, that the foregoing release shall not apply to the Sellers' rights or Buyer's obligations under or with respect to this Agreement, any Related Agreements and/or any other agreements entered into in connection with the transactions contemplated hereby or thereby.

(b) Effective upon the Closing, Buyer, on behalf of itself and its subsidiaries, parents, divisions, successors and assigns (except, in each case, the Seller Released Parties) (collectively, in their capacities as parties granting releases pursuant to this Section 9.21(b), the "Buyer Releasing Parties"), hereby releases, remises, acquits and


forever discharges each Seller and its past and present subsidiaries, parents, divisions, agents, representatives, attorneys, successors and assigns, and each of its and their respective directors, managers, officers, employees, shareholders, members, agents, representatives, attorneys, owners and partners (collectively, in their capacities as parties being released pursuant to this Section 9.21(b), the "Seller Released Parties"), from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys' fees and expenses, obligations, agreements, covenants, damages, Liabilities, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute, common law of any kind, nature, or description, including, as to any of the foregoing, any claim by way of indemnity or contribution, in each case, which any Buyer Releasing Party has, may have had or may hereafter assert against any Seller Released Party to the extent arising from or related in any way, either directly or indirectly, to the Business, the Acquired Assets or the Assumed Liabilities and, in each case, only to the extent based on facts existing prior to the Closing; provided, however, that the foregoing release shall not apply to Buyer's rights or the Sellers' obligations under or with respect to this Agreement, any Related Agreements and/or any other agreements entered into in connection with the transactions contemplated hereby or thereby.

[END OF PAGE]
[SIGNATURE PAGES FOLLOW]


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SELLERS:


EASTERN OUTFITTERS, LLC

By: 
Name: MARK WALSH
Title: CEO


EASTERN MOUNTAIN SPORTS, LLC

By: 
Name: MARK WALSH
Title: CEO


BOB'S STORES, LLC

By: 
Name: MARK WALSH
Title: CEO

SUBORTIS IP HOLDINGS, LLC

By: 
Name: MARK WALSH
Title: CEO

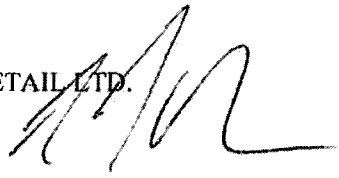
BOB'S/EMS GIFT CARD, LLC

By: 
Name: MARK WALSH
Title: CEO

Signature Page to Asset Purchase Agreement

BUYER:

SPORTSDIRECT.COM RETAIL LTD.

By: H. MOHER 

Name:

Title: AUTHORIZED SIGNATORY

[Signature Page to Asset Purchase Agreement]

SCHEDULE 2.3

Assumed Liabilities

Each of the Liabilities listed below (without duplication), except to the extent such Liabilities are previously paid by Sellers, in each case, to the extent not an Excluded Liability:

1. All Liabilities of the Business (other than for Professional Services) incurred, accrued or arising in the Ordinary Course of Business or in compliance with the Liquidation Plan from and after the Petition Date and prior to the Closing Date that are payable on or after the Closing Date and are unpaid as of the Closing Date including:
 - a. Sales, use, and other trust fund Taxes, imposed on or with respect to the Acquired Assets or the Business;
 - b. Liabilities relating to (i) payroll (including salary, wages and commissions), vacation, sick leave, store and field employee incentive plans, tuition assistance plans for employees of Sellers that enrolled prior to the Petition Date, paid time off, severance, parental leave and long service leave and (ii) payroll Taxes; and
 - c. Trade payables of Sellers (other than those owing for Professional Services to retained professionals in the Chapter 11 Cases);
2. Liabilities under the Assumed Contracts and the Assumed Permits to the extent incurred or arising from and after the Closing and any Cure Amounts related thereto;
3. Liabilities under the Assumed Benefit Plans incurred or arising from and after the Closing and any Cure Amounts related thereto;
4. Liabilities incurred, accrued or arising in the Ordinary Course of Business or in compliance with the Liquidation Plan for periods prior to the Closing Date that are unpaid as of the Closing Date to the extent such Liabilities:
 - a. arise under the self-funded Employee Benefit Plans (including the Non-Assumed Benefit Plans) for periods prior to the Closing Date;
 - b. are Consumer Liabilities; and
 - c. relate to gift card and merchandise credit obligations, provided that such obligations shall not include any escheatment claims asserted by any Governmental Entity or any similar claim; provided, further, that the amount of any such gift card obligation shall be no more than the face value of the gift card and shall be limited to use of such gift cards presented by individual holders for goods sold at their retail or online stores by the Sellers, subject to such lawful limitations as the Sellers may impose for gift cards issued by them;

5. Liabilities for payroll (including salary, wages and commissions) and benefits of the Selected Employees incurred or arising from and after the Closing Date until the termination of such Selected Employee;
6. Liabilities for Transferred Employees incurred or arising from and after the Closing;
7. All amounts up to \$800,000 in respect of allowed claims in the Chapter 11 Cases under section 503(b)(9) of the Bankruptcy Code to the extent set forth in the Cash Budget and not paid by Sellers prior to Closing;
8. All Operational Expenses that are the obligation of Buyer pursuant to Section 2.11;
9. Transfer Taxes pursuant to Section 6.6;
10. Liabilities under that certain letter agreement, dated as of March 30, 2016, by and among RCS Real Estate Advisors, Vestis Retail Group LLC, Bob's Stores, LLC (New Hampshire), EMS Acquisition LLC and EMS Operating Company LLC assumed by Vestis BSI Funding II, LLC pursuant to that certain Amended and Restated Asset Purchase Agreement dated May 31, 2016 among Vestis BSI Funding II, LLC and the various sellers thereunder;
11. Liabilities related to any Challenge in connection with the First Lien Financing to the extent Buyer elects to assume such Liability in accordance with the DIP Orders;
12. Liabilities arising out of, relating to, or with respect to COBRA based on employment terminations occurring on or after the Closing Date;
13. Liabilities under the WARN Act as set forth in Section 6.4(g); and
14. Liabilities outside of the Ordinary Course of Business with respect to any action or matter requested in writing by Buyer.

FIRST AMENDMENT
TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") dated as of March 27, 2017, by and among Eastern Outfitters, LLC, a Delaware limited liability company ("EO"), Eastern Mountain Sports, LLC, a Delaware limited liability company ("EMS"), Bob's Stores, LLC, a Delaware limited liability company ("Bob's"), Subortis IP Holdings, LLC, a Delaware limited liability company ("SIH"), Bob's/EMS Gift Card, LLC, a limited liability company organized under the laws of the Commonwealth of Virginia ("BEGC" and, together with EO, EMS, Bob's and SIH, "Sellers," and each individually, a "Seller"), and Sportsdirect.com Retail Ltd., an England and Wales private limited company (together with its permitted successors, designees and assigns, "Buyer"). Sellers and Buyer are referred to collectively herein as the "Parties." Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement (as defined below).

RECITALS

WHEREAS, Buyer and Sellers are parties to that certain Asset Purchase Agreement dated as of February 8, 2017 (the "Agreement") pursuant to which Sellers agreed to sell and Buyer agreed to purchase certain assets and assume certain liabilities of Sellers; and

WHEREAS, in connection with Seller's submission to the Bankruptcy Court of the Sale Motion seeking entry of an order approving the Agreement as the stalking horse agreement for the sale of the Acquired Assets, the Parties and the Committee negotiated certain modifications of the Agreement; and

WHEREAS, pursuant to Section 9.4 of the Agreement, the Parties desire to amend certain provisions of the Agreement, including certain schedules, as set forth more fully herein on the terms and subject to the conditions set forth herein, in order to effectuate the agreements of the Parties and the Committee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Schedule 2.3. "Schedule 2.3 – Assumed Liabilities" of the Agreement is hereby amended to delete in their entirety and replace with the below numbers 1 and 7 and add numbers 15, 16, and 17 as follows:

1. All Liabilities of the Business (other than for Professional Services) incurred, accrued or arising in the Ordinary Course of Business in accordance with the Budget during the period from and after the Petition Date and prior to the Closing Date except to the extent such Liabilities have been paid or satisfied in under the DIP Financing including:

a. Sales, use, and other trust fund Taxes, imposed on or with respect to the Acquired Assets or the Business;

b. Liabilities relating to (i) payroll (including salary, wages and commissions), vacation, sick leave, store and field employee incentive plans, tuition assistance plans for employees of Sellers that enrolled prior to the Petition Date, paid time off, severance, parental leave and long service leave and (ii) payroll Taxes; and

c. Trade payables of Sellers (other than those owing for Professional Services to retained professionals in the Chapter 11 Cases);

7. All amounts up to \$800,000 in respect of allowed claims in the Chapter 11 Cases under section 503(b)(9) of the Bankruptcy Code to the extent not paid by Sellers prior to Closing (which claims will not, for the avoidance of doubt, be subject to any setoff in respect of any Avoidance Actions). Payment of allowed 503(b)(9) claims as provided herein will not reduce the percentage available to pay the Designated Claim Amount;

15. 30% of the Designated Claim Amount for any Designated Claim where the holder of such claim has agreed to provide Buyer with post-Closing trade terms consistent with such holder's normal underwriting standards for no longer than 12 month terms (measured from the Closing Date) with such terms to be negotiated in good faith between Buyer and such holder; provided that Buyer shall not assume any portion of Designated Claim where the holder and Buyer have not reached an agreement on acceptable trade terms after good faith negotiations. Any holder of a Designated Claim shall be entitled to take into account the capital structure of the Buyer in determining the appropriate trade terms to offer to Buyer. Any Designated Claim Amount which Buyer is obligated to pay shall be paid by Buyer on the later of (a) Closing or (b) 5 Business Days after execution of an agreement in form and substance acceptable to Buyer and such holder evidencing the trade terms being provided by the a holder of a Designated Claim;

16. All unpaid rent under any lease for Leased Real Property for the period from the Petition Date through February 28, 2017 (the "Stub Rent") in amounts to be agreed between the applicable landlord and Buyer or as otherwise determined as allowed by the Bankruptcy Court unless (a) such Stub Rent has previously been paid through the DIP Financing or (b) otherwise agreed to by the applicable landlord and Buyer; and

17. 30% of the Cure Amount excluding 503(b)(9) Claims (which shall be in full satisfaction of the Cure Amount) of that certain Integrated Services Agreement by and between Bob's Stores, LLC and Valassis Direct Mail, Inc. ("Valassis"), dated as of January 28, 2013 (as amended); provided that a satisfactory agreement is entered into on amended terms with such terms to be negotiated in good faith between Buyer and Valassis. Valassis shall be entitled to take into account the capital structure of the Buyer in determining the appropriate trade terms to offer to Buyer.

2. Exhibit A. The Agreement is hereby amended to delete Exhibit A "Form of Bidding Procedures" in its entirety and replace it with Exhibit A "Form of 503(b)(9) Resolution Procedures" in the form attached to this Amendment as Exhibit 1.

3. Article I. Article I of the Agreement is hereby amended as follows:

(a) The defined term "End Date" (including the definition thereof) is amended and restated as follows:

"End Date" means June 5, 2017.

(b) The following defined terms are deleted in their entirety (including the definition thereof): "Auction", "Bidding Procedures", "Prevailing Bid", "Prevailing Bidder", "Qualified Bid" and "Qualified Bidder."

(c) The defined term "Designation Deadline" (including the definition thereof) is amended and restated as follows:

"Debtors' Counsel Funding" means an amount of up to \$200,000 that shall be used to pay allowed fees and expenses of Bracewell LLP in excess of the amounts set forth in the Approved Budget.

"Designation Deadline" means 5:00 p.m. (prevailing Eastern time) on the date that is eight (8) Business Days prior to the proposed Closing Date.

(d) The following terms are added in the appropriate alphabetical order:

"Designated Claim Amount" means the amount of any Designated Claim as agreed to in good faith between Buyer and the holder of such Designated Claim prior to the Closing Date.

"Designated Claims" means pre-Petition Date Claims (excluding 503(b)(9) Claims) of certain trade vendors identified by Buyer in a list provided to the counsel to the Committee prior to the Closing.

"Post-Sale Hearing Assumed Contracts" has the meaning set forth in Section 2.6(b).

"Sale Hearing" means that certain hearing to approve this Agreement currently scheduled for April 19, 2017 at 9:00 a.m. prevailing Eastern time, or such other date as may be ordered by the Bankruptcy Court or as agreed to by the Parties.

"Sale Hearing Designated Contracts" has the meaning set forth in Section 2.6(b).

"Sale Hearing Rejected Contracts" has the meaning set forth in Section 2.6(b).

"Sale Process Order" means an order setting forth the process for a private sale to be entered by the Bankruptcy Court in form and substance acceptable to Buyer.

"Transition Services Agreement" has the meaning set forth in Section 7.1(h).

4. Section 2.1(k). Section 2.1(k) of the Agreement is hereby amended and restated as follows:

(k) all Avoidance Actions and all claims and causes of action of Sellers (including the Excluded Claims to the extent not pursued or released by the Debtors' estates or any successor thereto), as of the Closing against any Persons (regardless of whether or not such claims and causes of action have been asserted by Sellers) and all guaranties, rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery, including rights to insurance proceeds, possessed by Sellers as of the Closing (regardless of whether such rights are currently exercisable), including, for the avoidance of doubt, all rights, claims and causes of action, as of the Petition Date and as of Closing, of each Seller to pursue any claim or commence any action or proceeding for past, present or future infringement of the Intellectual Property owned by Sellers;

5. Section 2.1(l). Section 2.1(l) of the Agreement is hereby amended to delete the phrase "except for the Excluded Claims," from the beginning of such section and replace it with "except for Excluded Claims which are pursued or settled by the Debtors' estates or any successor thereto,".

6. Section 2.1(r). Section 2.1(r) of the Agreement is hereby amended and restated as follows:

(r) to the extent transferable, all Insurance Policies (excluding the current policy of directors' and officers' liability insurance) that, on or prior to the Closing, Buyer designates in writing to Sellers as Acquired Assets hereunder, and all rights and benefits of any Seller of any nature (except for any rights to insurance recoveries thereunder required to be paid to other Persons under any order of the Bankruptcy Court or relating to the DIP Financing) with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;

7. Section 2.5(a). Section 2.5(a) of the Agreement is hereby amended and restated as follows:

(a) the payment by Buyer to Sellers of an amount in cash equal to five hundred thousand dollars (\$500,000) less the amount of any Debtors' Counsel Funding (the "Cash Payment");

8. Section 2.6(b). Section 2.6(b) of the Agreement is hereby amended and restated as follows:

(b) Buyer shall, on or before, April 11, 2017, provide a list to Sellers which list may be changed by adding or removing Executory Contracts or Leases from time to time prior to the Sale Hearing, identifying the Executory Contracts and Leases that Buyer has decided (i) will be assumed and assigned to Buyer on the Closing Date (the Executory Contracts and Leases listed as of the Sale Hearing, the "Sale Hearing Designated Contracts"), (ii) will not be assumed, but that will remain in place for a period after the Closing Date with respect to a store location that Buyer indicates will be liquidated pursuant to the Liquidation Plan (each such store, a "Non-Continuing Store", and such contracts in clause (ii), the "Non-Continuing Contracts"), and (iii) will be rejected as of the Sale Hearing or at such later date as determined in Buyer's sole

discretion (the "Sale Hearing Rejected Contracts"). On or prior to April 12, 2017, the applicable Seller shall file with the Bankruptcy Court and serve a notice substantially in the form approved by the Bankruptcy Court (each such notice, an "Assumption Notice") by first class mail on the non-debtor counterparty to any Executory Contract or Lease that has been designated as a Sale Hearing Designated Contract.

In addition, prior to the Designation Deadline, Buyer shall provide a list to the Sellers of any Executory Contract or Lease that was not designated a Sale Hearing Designated Contract or Sale Hearing Rejected Contract (including, if applicable, any Non-Continuing Contract) that Buyer has determined to have assumed and assigned to it ("Post-Sale Hearing Assumed Contracts"). On or Prior to the Designation Deadline, Sellers shall serve an Assumption Notice by first class mail on the non-debtor counterparty to any Executory Contract or Lease that was not designated a Sale Hearing Designated Contract or Sale Hearing Rejected Contract (including any Non-Continuing Contract) that Buyer has determine to have assumed and assigned to it (each a "Post-Sale Hearing Assumed Contracts"), and provide a copy of the same to Buyer and Sellers shall assume and assign each such Post-Sale Hearing Assumed Contract to the Buyer (and Buyer shall accept the assignment and assume such Post-Sale Hearing Assumed Contract) on the later of (i) the Closing or (ii) the date on which any objection to assumption and assignment filed in accordance with the Sale Process Order is resolved (the Post-Sale Hearing Assumed Contracts, collectively with the Sale Hearing Designated Contracts, the "Designated Contracts").

In connection with the Closing, the applicable Seller shall file a notice of rejection as of the Closing Date of every Executory Contract and Lease that is not a Designated Contract or a Sale Hearing Rejected Contract other than any Non-Continuing Contract (collectively, the "Excluded Contracts"). The applicable Seller shall file rejection notices or motions (which, in each case, shall be in form and substance acceptable to Buyer and shall seek to reject nunc pro tunc to the date of such notice or motion subject to approval of the Bankruptcy Court) for the Non-Continuing Contracts that were not designated for assumption as Designated Contracts prior to the Designation Date and any Post-Sale Hearing Assumed Contracts where the objection is resolved in a manner unacceptable to the Buyer within two (2) Business Days of receiving written instruction from Buyer that such Contract should be rejected. Buyer shall be obligated to perform or cause to be performed all of Sellers' post-petition obligations as required by applicable Law and under each Executory Contract and Lease from and after the Closing Date and, in the case of any Excluded Contract and any Non-Continuing Contract through the Rejection Effective Date for such Non-Continuing Contract.

9. Section 2.6(c). Section 2.6(c) of the Agreement is hereby amended and restated as follows:

(c) In connection with the assumption and assignment to Buyer of any Designated Contract that is executory pursuant to this Section 2.6, the cure amounts, as determined by the Bankruptcy Court, if any (such amounts, the "Cure Amounts"), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Designated Contracts, including any amounts

payable to any landlord under any Lease that is a Designated Contract that relates to the period prior to the delivery of a Cure Notice with respect thereto, shall be paid by Buyer within three (3) Business Days after entry of an order by the Bankruptcy Court approving the assumption of the applicable Designated Contract.

10. Section 2.7. Section 2.7 of the Agreement is hereby amended to delete the first proviso thereof and replace such proviso with the following:

“provided that if the date on which all such conditions are satisfied occurs less than forty-five (45) days after entry of the Sale Order by the Bankruptcy Court, Buyer may elect to postpone the Closing Date to any date up to and until the End Date;

11. Section 2.8(a)(iii). Section 2.8(a)(iii) of the Agreement is hereby amended and restated as follows:

Section 2.8(a)(iii) [Reserved]

12. Section 2.8(b). Section 2.8(b) of the Agreement is hereby amended to include the following include the following subsections (vi) and (vii):

(vi) the Cash Payment by wire transfer of immediately available funds to one or more bank accounts designated by Sellers or the designated third party recipients thereof in writing to Buyer, to the extent such Cash Payment is not withheld in accordance with Section 2.1(a)(III) above; and

(vii) the payment by wire transfer of immediately available funds in an amount equal to the Debtors' Counsel Funding into the escrow account for Bracewell LLP, subject to allowance by the Bankruptcy Court.

13. Section 2.11(a). Section 2.11(a) of the Agreement is hereby amended to include a second sentence as follows:

At any time prior to the Closing Date with consent of Buyer and subject to Bankruptcy Court approval, Seller shall commence liquidation sales at Non-Continuing Stores as agreed by Buyer and Seller; provided that the proceeds of such liquidation sales (after payment of expenses) are applied to any or all of the DIP Obligations, First Lien Financing Obligations or Second Lien Financing Obligations, as determined by Buyer in its sole discretion and unless otherwise agreed by Buyer.

14. Section 5.3(a). Section 5.3(a) of the Agreement is hereby amended and restated as follows:

(a) The Sale Process Order shall be entered by the Bankruptcy Court by no later than March 29, 2017 and become a Final Order no later April 13, 2017, and the Sale Order shall be entered by the Bankruptcy Court no later than April 20, 2017 and become a Final Order no later than May 5, 2017.

15. Section 5.3(c). Section 5.3(c) of the Agreement is hereby amended and restated as follows:

(c) On or before March 31, 2017, Sellers shall file with the Bankruptcy Court and serve a cure notice (the "Cure Notice") via overnight mail, electronic mail or facsimile the Cure Notice on all non-Seller counterparties to Executory Contracts and Leases at the notice addresses set forth in the respective Executory Contracts and Leases (and to their counsel, if known) and provide a copy of same to the Buyer. The Cure Notice shall inform each recipient that its respective Executory Contract or Lease may be designated by the Buyer as either assumed or rejected and the timing and procedures relating to such designation, and, to the extent applicable (i) the title of the Executory Contract or Lease, (ii) the name of the counterparty to the Executory Contract or Lease, (iii) the Debtors' good faith estimate of the cure amounts required in connection with such Executory Contract or Lease, (iv) the identity of the Buyer, and (v) the deadline by which any such Executory Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure amount, and the procedures relating thereto.

16. Section 5.10. Section 5.10 of the Agreement is hereby amended and restated as follows:

Section 5.10 Competing Transactions. Sellers shall not approve a Competing Transaction and will pursue a sale as set forth in the Sale Process Order, except as otherwise ordered by the Bankruptcy Court

17. Section 5.13. The Agreement is hereby amended to include the following Section 5.13:

Section 5.13 Post-Closing Budget. The Buyer, the Sellers and the Committee shall cooperate in good faith to establish a post-Closing budget covering necessary fees and expenses of keeping the estates open while Buyer liquidates Non-Continuing Stores. Buyer shall be responsible for costs identified in the post-Closing budget that are incurred solely as a result of keeping the estates open for the benefit of Buyer. Any other costs and expenses, as identified in the post-Closing budget (including costs and expenses related to any plan process or other winding up of the estate, any final tax returns or other regulatory filings, and any costs and expenses related to the reconciliation or other resolution of any pre-Petition Date claims not assumed by the Buyer) shall be the responsibility of the Sellers' estates.

18. Section 7.1. Section 7.1 of the Agreement is hereby amended to include the following subsections (h):

(h) The Parties and the Committee have agreed on a transition services agreement in form and substance reasonably acceptable to all Parties (the "Transition Services Agreement").

19. Section 7.2. Section 7.2 of the Agreement is hereby amended to include the following subsection (g):

(g) The Parties and the Committee have agreed on the Transition Services Agreement.

20. Section 8.1(c). Section 8.1(c) of the Agreement is hereby amended and restated as follows:

(c) by Sellers by giving written notice to Buyer at any time prior to Closing (i) in the event (A) Buyer has breached any representation, warranty or covenant contained in this Agreement such that any condition set forth in Section 7.2 would not be satisfied, Sellers have notified Buyer of the breach, and the breach is not curable or, if curable, has continued without cure until the earlier of (x) ten (10) Business Days after the notice of the breach and (y) by the date that is five (5) Business Days prior to the End Date, or (B) Buyer fails to effect the Closing in accordance with Section 2.7, (ii) in the event that any condition set forth in Section 7.2 shall become incapable of being satisfied by the Closing, unless such failure shall be due to the failure of Sellers to perform or comply with any of the covenants hereof to be performed or complied with by them prior to the Closing, and such condition is not waived by Sellers, and (iii) in the event that the Closing has not occurred by the End Date; provided that the Sale Order is a Final Order as of such date, unless such failure to close shall be due to the failure of Sellers to perform or comply with any of the covenants hereof to be performed or complied with by them prior to the Closing or the breach by Sellers of any representation, warranty or covenant contained in this Agreement such that any condition set forth in Section 7.1 would not be satisfied;

21. Section 8.1(d). Section 8.1(d) of the Agreement is hereby amended and restated as follows:

Section 8.1(d) [Reserved]

22. Section 8.1(f). Section 8.1(f) of the Agreement is hereby amended and restated as follows:

(f) by Buyer if (i) all of the Sellers shall not have filed the Chapter 11 Cases within one (1) Business Day of the date hereof, (ii) the Sale Process Order shall not have been entered on or prior to March 29, 2017 or become a Final Order no later than April 13, 2017; or (iii) the Sale Order is not entered by the Bankruptcy Court by April 20, 2017 or does not become a Final Order by May 5, 2017.

23. Section 8.3(b). Section 8.3(b) of the Agreement is hereby amended and restated as follows:

(b) If this Agreement is terminated in the event Sellers enter into a Competing Transaction, then Sellers shall pay to Buyer an amount equal to the sum of (i) the actual Expenses of Buyer and its Affiliates not to exceed \$750,000 (the "Expense Reimbursement"), which Expenses shall constitute an allowed administrative expense of Sellers under Bankruptcy Code sections 503(b) and 507(a)(1), and (ii) an amount equal to \$2,670,000 (the "Break Fee"), such sum to be paid in full from the proceeds of such Competing Transaction contemporaneously with the consummation of such Competing

Transaction; provided that in the event the Break Fee is earned but no Competing Transaction has been accepted, then the Sellers' shall pay the Break Fee when proceeds are available in the estates to pay allowed administrative expenses of the same priority, and in any event, no later than the effective date of a plan of reorganization.

24. Section 8.3(c). Section 8.3(c) of the Agreement is hereby amended and restated as follows:

(c) If this Agreement is terminated pursuant to clause (i) or (iii) of Section 8.1(c), then a portion of the DIP Financing Obligations if Buyer or an Affiliate of Buyer is a lender under the DIP Financing, otherwise the Second Lien Financing Obligations equal to \$2,670,000 shall be assumed by Buyer within two (2) Business Days of such termination; it being understood and agreed that any such DIP Financing Obligations or Second Lien Financing Obligations so assumed pursuant to this Section 8.3(c) shall consist of first dollar recovery with respect thereto; AND IT BEING FURTHER UNDERSTOOD AND AGREED THAT ANY SUCH ASSUMPTION OF DIP FINANCING OBLIGATIONS OR SECOND LIEN FINANCING OBLIGATIONS SHALL BE LIQUIDATED DAMAGES AND SHALL CONSTITUTE SELLERS' SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT AND SELLERS SHALL NOT HAVE ANY OTHER RIGHTS OR REMEDIES AT LAW OR IN EQUITY UNDER THIS AGREEMENT; AND IT BEING FURTHER UNDERSTOOD AND AGREED THAT SECTION 8.1(C) IS SELLERS' SOLE AND EXCLUSIVE REMEDY FOR BUYER'S FAILURE TO EFFECT THE CLOSING PURSUANT TO SECTION 2.7.

25. Section 9.5. The proviso in Section 9.5 is hereby amended to delete the phrase "to one or more of its wholly owned Subsidiaries" therefrom.

26. Section 9.12. Section 9.12 is hereby amended to add the following to the end of the sentence "and with respect to any releases provided to such individual under Section 9.21, Mark Walsh, Scott Hampson, Dan Bliss, and Matt Kahn".

27. Section 9.21. Section 9.21 of the Agreement is hereby amended to add the following clause (c):

(c) Each of the Buyer Releasing Parties covenants and agrees that as of the Closing, all Avoidance Actions (other than Excluded Claims) shall be deemed released and no Buyer Releasing Party shall pursue any such Avoidance Actions. Notwithstanding the foregoing, in the event the Buyer acquires the Excluded Claims pursuant to Section 2.1(k) or 2.1(l), the Buyer Releasing Parties covenant and agree that they shall be deemed to have released Avoidance Actions and other claims, if any, against Mark Walsh, Scott Hampson, Dan Bliss and Matt Kahn and that no Buyer Releasing Party shall pursue any such Avoidance or other claims against those named individuals.

28. Waiver of Distribution. In the event that the Closing occurs, the Buyer agrees that to the extent it did not credit bid any of its Second Lien Financing Obligations in connection with the transactions contemplated by the Agreement (the "Second Lien Deficiency"), Buyer agrees

that any distributions to which it would be entitled from the Debtors' estates (or any successor thereto) on account of the Second Lien Deficiency shall be waived by the Buyer.

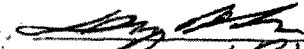
The terms and provisions of Sections 9.2, 9.4 to 9.12, 9.14, 9.15, 9.16 and 9.19 of the Agreement are incorporated herein by reference as if set forth herein in their entirety and will apply mutatis mutandis to this Amendment.

[signature page follows]

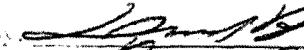
IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date first set forth above.

SELLERS:

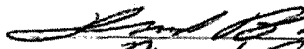
EASTERN OUTFITTERS, LLC


Name: Daniel Blus
Title: VP Finance

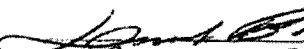
EASTERN MOUNTAIN SPORTS, LLC


Name: Daniel Blus
Title: VP Finance


BOB'S STORES, LLC


Name: Daniel Blus
Title: VP Finance

SPORTS IP HOLDINGS


Name: Daniel Blus
Title: VP Finance

BOB'S EMS GIFT CARD, LLC


Name: Daniel Blus
Title: VP Finance

BUYER:

SPORTSDIRECT.COM RETAIL LTD

By: 

Name: _____

H. McHEN

Title: _____

AUTHORISED SIGNATORY

TRADEMARK

REEL: 007714 FRAME: 0301

Exhibit 1

503(b)(9) Procedures

Assumption and payment of all allowed 503(b)(9) claims in accordance with the following schedule:

- The objection deadline for duly filed 503(b)(9) claims ("Subject Claims"): Buyer shall have 60 days following the Closing Date to object to the Subject Claims (the "Subject Claims Objection Deadline").
- Payment of allowed Subject Claims: If Buyer does not object to a Subject Claim on or prior to the Subject Claims Objection Deadline (which objection must be made in good faith), Buyer shall pay the full amount of such claim within 10 business days of the Subject Claims Objection Deadline (or such earlier date as Buyer may determine). If Buyer only objects to a portion of a Subject Claim, Buyer shall pay the undisputed portion of such claim within 10 business days of the Subject Claims Objection Deadline (or such earlier date as Buyer may determine). Notwithstanding the foregoing, Buyer's obligation to pay Subject Claims shall be capped as set forth in this Agreement and the amount of any Subject Claims allowed in excess of such amount shall be the responsibility of the Debtors' estates.
- The foregoing shall not apply to any holder of a Subject Claim that agrees in writing with Buyer to different terms for resolution of its Subject Claim.
- Buyer shall provide a status report to counsel to the Committee and the Debtors on the 30th day after Closing and on the Subject Claims Objection Deadline that indicates whether a Subject Claim has been allowed in full or in part, and if applicable, the date on which Buyer paid all or portion of such Subject Claim.

**SECOND AMENDMENT
TO ASSET PURCHASE AGREEMENT**

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") dated as of April 17, 2017, by and among Eastern Outfitters, LLC, a Delaware limited liability company ("EO"), Eastern Mountain Sports, LLC, a Delaware limited liability company ("EMS"), Bob's Stores, LLC, a Delaware limited liability company ("Bob's"), Subortis IP Holdings, LLC, a Delaware limited liability company ("SIH"), Bob's/EMS Gift Card, LLC, a limited liability company organized under the laws of the Commonwealth of Virginia ("BEGC" and, together with EO, EMS, Bob's and SIH, "Sellers," and each individually, a "Seller"), and Sportsdirect.com Retail Ltd., an England and Wales private limited company (together with its permitted successors, designees and assigns, "Buyer"). Sellers and Buyer are referred to collectively herein as the "Parties." Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement (as defined below).

RECITALS

WHEREAS, Buyer and Sellers are parties to that certain Asset Purchase Agreement dated as of February 8, 2017 as amended by that certain First Amendment to Asset Purchase Agreement, dated as of March 27, 2017 (the "Agreement") pursuant to which Sellers agreed to sell and Buyer agreed to purchase certain assets and assume certain liabilities of Sellers; and

WHEREAS, in connection with Seller's submission to the Bankruptcy Court of the Sale Process Motion, the Parties and the Committee negotiated certain additional modifications of the Agreement; and

WHEREAS, pursuant to Section 9.4 of the Agreement, the Parties desire to amend certain provisions of the Agreement as set forth more fully herein on the terms and subject to the conditions set forth herein, in order to effectuate the agreements of the Parties and the Committee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Section 5.3(a). Section 5.3(a) of the Agreement is hereby amended and restated as follows:

(a) The Sale Process Order shall be entered by the Bankruptcy Court by no later than March 31, 2017 and become a Final Order no later April 15, 2017, and the Sale Order shall be entered by the Bankruptcy Court no later than April 20, 2017 and become a Final Order no later than May 5, 2017.

2. Section 6.4(a). Section 6.4(a) of the Agreement is hereby amended and restated as follows:

(a) On or prior to April 24, 2017, Buyer (through and in consultation with Representatives of Sellers) shall (i) provide Sellers with a list of Current Employees who

work at a Non-Continuing Store and who are required, in Buyer's sole discretion, to remain employed by Sellers to operate the Non-Continuing Stores (the "Selected Employees"), and (ii) extend offers of employment (each, a "Transfer Offer") with Buyer or one of its Affiliates to all of the Current Employees (other than Key Employees) who are jointly determined by Buyer and Sellers to perform services primarily for the Continuing Stores and/or the Business as it will be operated by Buyer following the Closing. Each Transfer Offer shall set forth the proposed terms of employment for the Current Employees, including base salary (or wages) and employee benefits that are substantially comparable in the aggregate to the base salary (or wages) and employee benefits provided by Sellers to such Current Employee as of the Closing Date, and such other terms and conditions of employment as determined by Buyer in its sole and absolute discretion. At least two (2) Business Days prior to Closing, Buyer shall provide Sellers a list of the Current Employees who have accepted a Transfer Offer and those who have rejected a Transfer Offer. Effective as of the Closing Date, Sellers shall discharge all Current Employees who have accepted a Transfer Offer and all Current Employees who have not accepted a Transfer Offer other than the Selected Employees. Sellers shall discharge the Selected Employees as directed by Buyer.

3. Section 8.3(b). Section 8.3(b) of the Agreement is hereby amended and restated as follows:

(b) [Reserved].

The terms and provisions of Sections 9.2, 9.4 to 9.12, 9.14, 9.15, 9.16 and 9.19 of the Agreement are incorporated herein by reference as if set forth herein in their entirety and will apply mutatis mutandis to this Amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date first set forth above.

SELLERS:

EASTERN OUTFITTERS, LLC

By: [Signature]
Name: Charles Bhus
Title: VP Finance

EASTERN MOUNTAIN SPORTS, LLC

By: [Signature]
Name: Charles Bhus
Title: VP Finance

BOB'S STORES, LLC

By: [Signature]
Name: Charles Bhus
Title: VP Finance

SPORTS IP HOLDINGS

By: [Signature]
Name: Charles Bhus
Title: VP Finance

BOB'S/EMS GIFT CARD, LLC

By: [Signature]
Name: Charles Bhus
Title: VP Finance

BUYER:

SPORTSDIRECT.COM RETAIL LTD.

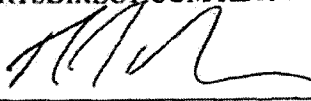
By: 
Name: HOWARD MOHR
Title: AUTHORIZED SIGNATORY

EXHIBIT 2

Notice of Sale Closing and Effective Date of Amendment of Case Caption

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

Eastern Outfitters, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 17-10243 (LSS)

(Jointly Administered)

Re: Docket No. [●]

**NOTICE OF SALE CLOSING AND
EFFECTIVE DATE OF AMENDMENT OF CASE CAPTION**

PLEASE TAKE NOTICE that, on [], 2017, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (I) Authorizing the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Claims, Liens, Rights, Interests, and Encumbrances; (II) Approving Asset Purchase Agreement; and (III) Authorizing the Debtors to Assume and Assign Certain Executory Contracts And Unexpired Leases* [Docket No. _____] (the “Sale Order”),² which approved the sale (the “Sale”) of substantially all of the assets of the above-captioned debtors and debtors in possession (the “Debtors”) to Sportsdirect.com Retail Ltd. (together with its permitted designees, successors and permitted assigns, “Buyer”).

PLEASE TAKE FURTHER NOTICE that the Sale Order provided that, upon the closing of the Sale of the Debtors’ assets to Buyer and the service of this notice, the caption for the Debtors’ chapter 11 cases shall be amended as set forth below.

PLEASE TAKE FURTHER NOTICE that, on [], 2017, the Closing occurred.

PLEASE TAKE FURTHER NOTICE that, effective as of the Closing, the case captions in each of the Debtors’ jointly administered chapter 11 cases shall be amended as follows:

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers, where applicable, are as follows: Eastern Outfitters, LLC (9164); Subortis Retail Financing, LLC (9065); Eastern Mountain Sports, LLC (9553); Subortis IP Holdings, LLC; Bob’s Stores, LLC (4389); and Bob’s/EMS Gift Card, LLC (9618). The Debtors’ executive headquarters are located at 160 Corporate Court, Meriden, CT 06450.

² Capitalized terms used but not defined herein shall have the meanings as set forth in the Sale Order.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

EO Liquidating, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 17-10243 (LSS)

(Jointly Administered)

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers, where applicable, are as follows: EO Liquidating, LLC (9164); Subortis Retail Financing, LLC (9065); EM Liquidating, LLC (9553); Subortis IP Holdings, LLC; BS Liquidating, LLC (4389); and BS/EM Liquidating, LLC (9618). The Debtors' executive headquarters are located at 160 Corporate Court, Meriden, CT 06450

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Dated: __, 2017
Wilmington, Delaware

COLE SCHOTZ P.C.

Norman L. Pernick (I.D. No. 2290)
Marion M. Quirk (I.D. No. 4136)
Katharina Earle (I.D. No. 6348)
500 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Telephone: (302) 652-3131
Facsimile: (302) 652-3117
NPernick@coleschotz.com
MQuirk@coleschotz.com
KEarle@coleschotz.com

- and -

BRACEWELL LLP

Jennifer Feldsher (admitted *pro hac vice*)
David M. Riley (admitted *pro hac vice*)
1251 Avenue of Americas, 49th Floor
New York, New York 10020-1104
Telephone: (212) 508-6100
Facsimile: (212) 508-6101
Jennifer.Feldsher@bracewell.com
David.Riley@bracewell.com

- and -

Mark E. Dendinger (admitted *pro hac vice*)
CityPlace I, 34th Floor
185 Asylum Street
Hartford, Connecticut 06103
Telephone: (860) 947-9000
Facsimile: (800) 404-3970
Mark.Dendinger@bracewell.com

*Counsel for Debtors and Debtors in
Possession*

EXHIBIT 3

Deferred Contracts

Section 3A: Initial Deferred Contracts

1. Tyco Integrated Security LLC
2. Vision Net

Section 3B: Additional Deferred Contracts

1. Aptos, Inc.
2. Aptos, Inc. (f/k/a Epicor Retail Solutions Corporation)
3. CenturyLink Communications, LLC
4. Demandware, Inc.
5. First Data Services, LLC
6. PlumSlice Labs, Inc.
7. United Parcel Service, Inc.